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In This Issue

Union Pacific Completes New Hotel in Sun Valley . Page 182

A description of the new developments and improvements made by this road
at Sun Valley, Idaho, which include moderate-priced accommodations to
supplement Sun Valley Lodge.

Simplifying Interline Accounts 194

An abstract of a paper presented by Noah Garner, Auditor of Freight Accounts
for the Southern, at a recent regional meeting of railway accounting officers.

Inland Station Five Years Old 198

A Motor Transport article on the joint off-rail l. c. l. terminal at New York
which has shown a steady increase in patronage since its inception.

EDITORIAL

The New Problem of Increasing Railway Traffic 179

GENERAL ARTICLES

Union Pacific Completes New Hotel in Sun Valley 182
"Out-of-Town" Hearings In the Freight Rate Case 185
Locomotive Inspection Report 187
Hearings on Ex Parte 123 189
Hearings on Train-Limit Bill 192
Simplifying Interline Accounts, by Noah Garner 194
Erie Seeks to Reorganize Under 77 B 197

MOTOR TRANSPORT SECTION

Inland Station Five Years Old 198
Advertising Collection and Delivery Service 200
B. & M. Offers Modern Transportation 201
Columbia Buys Trucks 202
S. A. R. Rail-Motor Co-ordination 203
Report of Bureau of Motor Carriers 204
N. C. Bus Operation 205
Serving Central Nevada 205

NEWS 206

OPERATING REVENUES AND EXPENSES 218

The Railway Age is indexed by the Industrial Arts Index and also by the
Engineering Index Service

MODERN SIGNALING



Prior to inaugurating the high-speed "Rocket" service between Chicago and Peoria, the Rock Island installed "Union" color-light automatic block signals between Bureau and Peoria to provide signal protection over the entire route of the new trains. Interlocking facilities installed at Bureau Junction, primarily to avoid stopping the "Rockets", are controlled from a "Union" C. T. C. machine. The new signaling and interlocking facilities have not only made it possible to maintain the exacting high-speed schedules of the "Rockets" but have also benefited other trains. » » » » » » » »

1350

Installation of automatic block signals on this 47 mile single track section marked the inauguration of a comprehensive signaling program. The Rock Island was among the leaders in automatic block signal construction during 1937, having equipped a total of 177 road miles during the year with modern "Union" color-light signals. » » » » »

Automatic block signals are of assistance in providing expedited train movements and improved service to the traveling public with safety and economy. Our nearest office will cooperate in signaling problems.



1881

Union Switch & Signal Co.

1938



SWISSVALE, PA.

NEW YORK

MONTREAL

CHICAGO

ST. LOUIS

SAN FRANCISCO

The New Problem of Increasing Railway Traffic

The net operating income that the railways can earn depends, of course, not only upon how much operating expenses and taxes they must pay, but upon how much gross earnings they can make. About 80 per cent of their gross earnings are freight earnings, which depend on the rates they are allowed to charge and the amount of freight they are afforded opportunity to haul. Their freight traffic, in turn, depends upon the amount of production and construction done by other industries. Their problem of increasing, or even maintaining, freight traffic has changed greatly because of changes in the conditions and policies determining the volume of production and construction by other industries.

Realization that the number of tons of freight carried one mile by the railways in 1936 and 1937 was only about the same as in 1916, twenty years before, causes a shock even to those familiar with transportation developments. In the preceding two decades (1896 to 1916) the number of ton-miles increased 284 per cent—in other words, almost trebled. If their revenue per ton-mile had been as large in 1937 as in 1929 their freight earnings would have been \$509,000,000 larger than they were in 1937. It is also true that if they had received only the same revenue per ton-mile in 1937 as they did, and their freight traffic had been as large as in 1929, their freight earnings in 1937 would have been \$800,000,000 larger than they were.

Economics of Scarcity Restricting Traffic Growth

The railways formerly helped to increase production, construction and the national income by building new lines into undeveloped territory, by doing their utmost to attract new industries and new settlers, and by making rates in accordance with what the traffic would bear in order to help all the industries and people they served. They are doing a great deal for this purpose now—particularly in the development of new industries. In recent years, however, their efforts of this kind have been made largely fruitless by government, business and labor policies which have curtailed production and diverted effort into uneconomic channels more rapidly than the railways could possibly contribute to production by improving their facilities and service and trying to make rates which would move more business.

Loss of high-revenue traffic to subsidized rival carriers limits the concessions they can make to develop

new traffic. Tremendous increases in hourly wages enforced by organized labor, often with the aid of government, have prevented them both from making reductions of rates which might have stimulated traffic and from giving employment to more labor. High tariff duties have more than offset any concessions they could make to promote export trade; and these high tariff duties are merely in line with other policies of government, business and labor carrying out a general economics of scarcity which is the antithesis of the economics of large and increasing production and construction that is necessary to large and increasing freight traffic.

New Problems of Railroad Statesmanship

Industrial statesmanship for railroad leaders today cannot be limited to the methods of a Hill or a Harri-man. Rather it must consist primarily of missionary work in national economic and political policy—because there and there alone can the changes be made which will permit America once more to resume the path toward a largely increased national income. Thus the railroads find themselves confronted with a new and extremely difficult problem of helping to educate the entire American people in regard to economics as a means of increasing the production and construction carried on by other industries from which alone an increasing railway traffic can be derived.

It is contended in some quarters that an advance in railway rates will restrict production and construction. But they have been restricted during a long period of years when railway rates have been relatively low as compared with commodity prices; and there occurred during the latter half of last year the severest decline in production, construction and railway traffic that ever occurred although railway rates were the lowest in years. These incontrovertible facts explode the argument that railway rates, which average only about 7 per cent of the value of commodities at destination, exert any substantial influence on the total volume of production and construction.

Increasing National Income to 100 Billion Dollars

President Roosevelt said in a recent message that his objective is to increase the national income to 100 bil-

lion dollars. This can be done very easily by the same means which largely accomplished the increase from 38 billion to 68 billion which he said occurred between 1932 and 1937. The average increase in prices between these years of 37 per cent accounts for 14 billion dollars of the increase. Increase in national income due to advances in prices helps debtors, but equally hurts creditors, and is of no net value to the people as a whole. It was the increase of about 16 billion dollars due to expansion of production and construction that was of any value. Let us consider, then, what would be the effects upon the people as a whole, and especially the railroads, of an increase in the national income to 100 billion dollars that was due entirely to increased production and construction.

That much national income would be about 19 per cent greater than the income of 84 billion in 1929. The present level of wholesale prices is 12 per cent below that of 1929. Consequently an increase in national income to 100 billions at the present price level would require an increase in the total volume of goods and services produced to 33 per cent more than in 1929.

How Much Should Freight Traffic Increase?

Railway freight traffic probably would increase proportionately. This would make it about 150,000,000,000 ton-miles more than in 1929. At the 1937 average revenue per ton-mile this would make freight earnings \$2,200,000,000 more than they were in 1937, and \$800,000,000 more than in 1929. At the 1929 average revenue per ton-mile it would make freight revenues \$3,000,000,000 more than in 1937 and \$2,000,000,000 more than in 1929. Obviously on either basis of rates an increase of freight traffic to 33 per cent more than in 1929 would have some very important effects on the railroads.

Is the assumption extreme that such an increase might and should occur? By no means. The number of ton-miles increased about 150,000,000,000—the assumed increase over 1929—or almost 100 per cent, in the eleven years from 1902 to 1913. It will soon be eleven years since 1929. Why should an increase of 33 per cent over 1929 be considered improbable, or even impossible, when an increase of almost 100 per cent actually did occur in the eleven years before the war in Europe began?

How Much Railroad Service Will Be Needed?

If President Roosevelt is serious in the intention to pursue policies which will increase the national income to 100 billion dollars, the undertakers who propose to "save" the railroads by doing away with a large part of them had better stay their hands. If the national income is raised to any such level without price inflation, a lot of railroads which now look like corpses are going to come back to life; and the country will need

them to distribute the products which such a largely increased national income will represent.

Furthermore, if government, business and labor pursue the kind of policies required to increase the national income to 100 billions sounder dealing with the economic aspects of transportation will have to be a part of the program. The national income cannot be increased without renewed and enlarged investment of capital in private enterprise; and such investment will not be forthcoming until public policy gives reasonable assurance of safety. No such assurance can be given so long as capital already honestly invested in railways is made the prey of unreasonable exactions by organized labor and competition from unconscionable subsidies to rivals.

What Is Wrong With Production?

There is no disagreement as to the goal of increased national income. Divided counsel appears when it comes to means of achieving it. Amidst the babel of untried or discredited short-cut magic schemes to this goal, our people seem to have overlooked the simple fact that always in our history before 1930 national income regularly increased. And nobody "planned it that way," either. It just happened, because the political and economic framework was such that the strivings of individuals to improve their personal incomes worked also to increase the national income. People want to get ahead in the world just as much now as they did a decade, or two or three or four decades ago. It is the legislative and economic framework that has changed. For a workable method, then, of raising the national income to 100 billions, what more do we need to do than compare political and economic policies now with those of the time when our efforts were getting us somewhere—and by this means discover the misguided changes in policy which are keeping us poor?

The facts show that—

(1) Never until this depression has so long a time elapsed after a decline from one national income peak until another peak which far surpassed it was reached.

(2) The kind of business and government policies pursued in this country during the 'Twenties, and which led up to the crash of 1929, were disastrous in their effects on income.

(3) The business and government policies which have been pursued since 1932 have given us the slowest recovery after a great decline in income which has ever occurred; and now the income is headed downward again without ever having attained its previous high—something which has never occurred so soon before.

Why Economic Progress Has Been Arrested

In short, we have to go back to the years before the war to find the national income increasing steadily, with no serious relapses and with quick recovery from those which did occur. If we compare the governmental and

business policies of the 'Twenties and of the present with those which predominated before the war, is it not quite likely that in the changes which are disclosed will be found the reasons why the national income is fluctuating so much more unsatisfactorily on a relatively low basis than it did then? Outstanding among these changes may be mentioned the following (there are others, of course):

(a) A growing tendency for business to concentrate into ever-larger units, and for these larger units to try to "stabilize" prices, instead of producing for the market and taking whatever prices are established by free competition. When some prices are thus "stabilized," and incomes of people in truly competitive businesses decline, they can buy fewer "stabilized" products, and the national production—and hence the national income—inevitably falls. When prices are set by free competition, a fall in prices does not reduce the income of the people, because production goes on at the same speed as before. With a wider and wider proportion of prices being "stabilized," it is inevitable that changes in the price level will have a more serious effect on production—and hence on national income—than under a free economy.

Monopoly Wages and Subsidies

(b) Since the pre-war days union labor has become much more powerful than it was before; and union labor has not kept its eye on *real* income but rather on increasing wage *rates* as expressed in dollars. A steady increase in *real* income is labor's due, provided the increase in production occurs to permit it. But an insistence on keeping dollar wage rates up when competitive prices and cost of living have declined, *makes labor so dear that impoverished business can hire very little of it*. The result is, of course, widespread unemployment. And when millions of men are not working, naturally our national production and our national income must decline.

(c) Ever since the early days of the republic, but with tremendous growth since the war, there have been those who have striven to enrich themselves, not by producing more goods, but by enlisting the coercive power of government to take from others and give to

them. In this category first and foremost, of course, comes the protective tariff, which was jacked up constantly prior to the advent of the New Deal, and which the New Deal itself has not been very energetic in reducing. But there is more to this than the protective tariff. The whole waterway policy of the federal government and the highway policy of both the state and federal governments have made the expenses of these two forms of transportation artificially low, and transport has thus in many cases been diverted from a more efficient method to one more costly. Whenever government coercion or subsidy enters, the energies of the people are diverted from directions which will increase the national income into paths which will tend to reduce it.

Big Business and Big Labor Versus Prosperity

There was a good deal of truth in some of the faults which President Roosevelt found with the practices of some Big Business in his speech at the Jackson Day dinner. But he ought, we think, to have gone out after all the culprits—not just the most unpopular members of the gang; for labor monopoly power wielded for selfish ends is as anti-social as business monopoly power wielded for selfish ends. And he might also, we believe, have made it more clear that some degree of concentrated financial power is essential if we are to have large-scale industry. Such concentration is not objectionable in itself, any more than labor unionism is objectionable—it becomes so solely through abuse.

Maintaining free competition wherever possible, giving the "little fellow" a chance for survival, and the adoption of policies by government, industry and labor which will prevent selfish wielding of power either by Big Business, Big Labor or tariff and subsidy beneficiaries—these are the steps toward ever-increasing national income. They would also contribute greatly toward the solution of the railroad problem, which confronts us not only because the rates of the railways are too low compared with the prices, wages and taxes they are paying, but also because their traffic has greatly declined and is being drastically curtailed by the prevailing economics of scarcity that is curtailing production and construction in almost all industries.

Rate Increase Would Make \$5,000 House Cost \$5,043

"And \$43, up or down, is not enough to stop anyone from building a \$5,000-house, or cause him to build one either—." So spoke E. P. Palmer, vice-president-at-large of the Associated General Contractors, representing 2,400 contractors throughout the country, testifying before the Interstate Commerce Commission in favor of the railroads' application for increased rates. Mr. Palmer further declared that the rate increase would increase the cost of a finished structure by an average of only .86 of one per cent. "In other words a house which would cost \$5,000

under existing freight rates will cost only \$43 more if this increase be granted. . . . It is believed that an increase so small is negligible when compared with other conditions affecting construction, and it will have little or no effect upon the volume of construction. Before reaching this conclusion, studies were made to determine whether the increased freight rates put into effect in the second quarter of 1935, and terminated in the fourth quarter of 1936, produced any effect. *We did not find that these changes in freight rates had any influence on construction volume.*"

—From "The Freight Rate on a House"
Booklet Published by A. A. R.



Although of Integral Construction, the Main Unit of the Village Has the Aspect of a Group of Separate Buildings

Union Pacific Completes New Hotel in Sun Valley

Moderately-priced accommodations are constructed to supplement Sun Valley Lodge—Other improvements made

CONTINUING its development of Sun Valley in Idaho as a sports and vacation resort, with particular emphasis on winter activities, the Union Pacific opened for operation on December 21 a new development, known as Challenger Inn, which is designed to appeal to persons with comparatively modest incomes. Thus the new accommodations are supplementary to those incorporated in the more expensively-appointed Sun Valley Lodge (described in the *Railway Age* of January 23, 1937), which is now entering its second season of operation. However, all recreational facilities that have been provided in the valley, which include ski tow lines as well as other recently-completed features to be described later in this article, are available to patrons of the Challenger Inn on exactly the same basis as to guests of Sun Valley Lodge.

Object of Development

As mentioned in the previous article, the Union Pacific has undertaken to develop a winter sports center in Sun Valley embodying all the recreational, scenic, climatic and topographical advantages heretofore considered to be possessed only by European resorts. In this development particular emphasis has been placed on skiing, but facilities are also available for tobogganing, bob sledding, dog sledding, sleigh riding in a vehicle drawn by Alaskan reindeer, skating, outdoor swimming and sun bathing. Enjoyment of these sports in mid-winter with a maximum

of comfort is said to be enhanced by the fact that Sun Valley is protected on all sides from cold winds by mountains of the Sawtooth range. Development of the valley has not, however, been confined to winter activities. The railroad is now engaged in publicizing the valley as a resort for the summer vacationist and has installed facilities and services designed to augment its appeal in this respect.

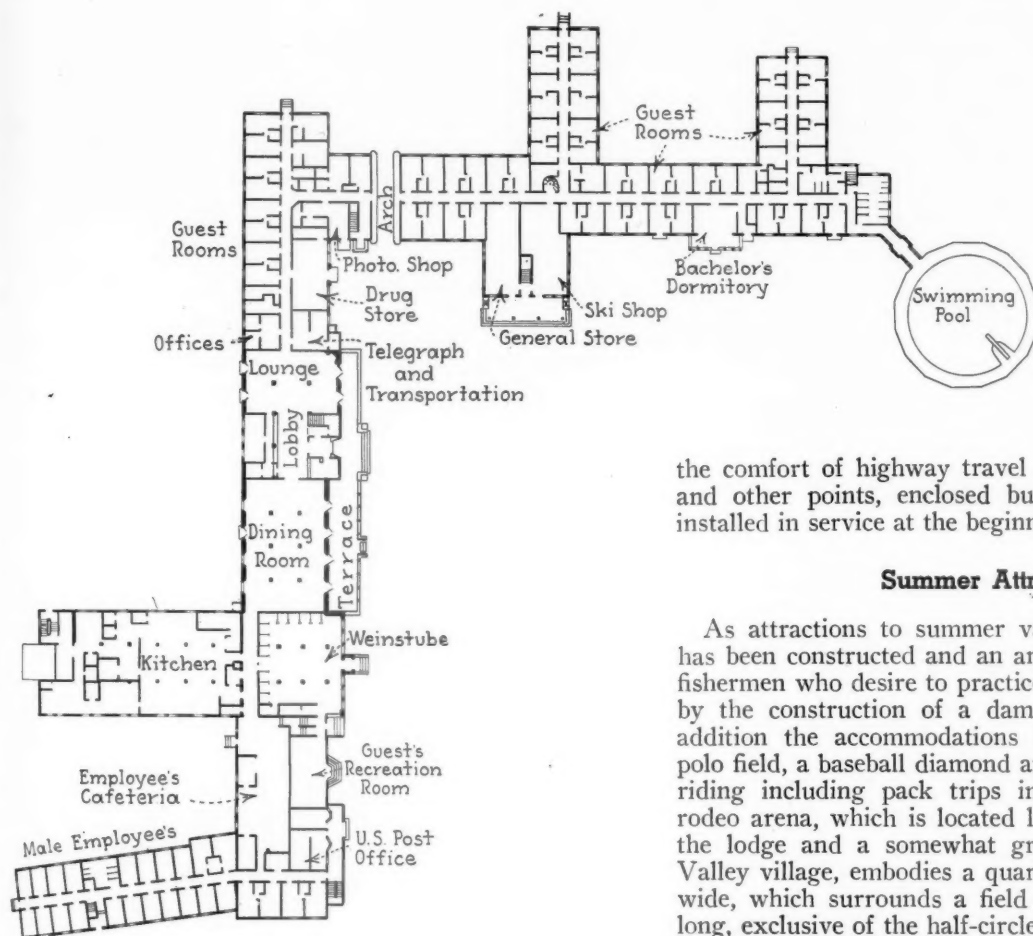
Facilities that were available in Sun Valley during the 1936-37 winter season included, in addition to the lodge with its accommodations for 250 guests, an out-door swimming pool, a skating rink and two ski lifts for transporting skiers up the mountain slope. One of these, a chair line, is located on Dollar mountain where a ski school is operated, while the other, which is much longer and higher, is located on Proctor mountain and is comprised of two parts—a tow or drag line and a chair line.

New Facilities

Foremost among the additional facilities that were installed during 1937 is Challenger Inn, which is in reality a complete village of the Austrian-Swiss type of architecture, embodying hotel accommodations for 400 guests, a dining room, a "weinstube," several small shops, indoor recreational facilities, a main store handling both general and sports clothing with a separate department devoted to ski equipment exclusively, a drug store, a

moving-picture theatre seating 500 persons, which will exhibit first-run or World premier pictures only, an outdoor swimming pool, and tennis courts which will be flooded during the winter season and thereby converted into a skating rink. Auxiliary units at the village include a central heating plant, a garage, fire-fighting facilities and employees' accommodations, including administration offices, barracks, mess hall and kitchen and recreation hall. Provision for the water supply for the village and for handling sewage has been made by en-

snow tractor for hauling skiers up slopes not served by ski lifts. This device is a single-tread crawler affair in which the tread is sufficiently wide to keep the machine from sinking into deep snow. Since the snow tractor has only one tread, it is steered from the rear by means of a rudder-type sled which carries the operator and 25 passengers. For carrying greater loads, additional sleds or toboggans may be coupled to the tractor. It is said that this unit can negotiate 40 per cent grades with ease. To increase



First Floor Plan of the Main Unit in Challenger Village

the comfort of highway travel to and from the ski lifts and other points, enclosed buses of a new type were installed in service at the beginning of the current season.

Summer Attractions

As attractions to summer vacationists a rodeo arena has been constructed and an artificial lake for the use of fishermen who desire to practice casting has been created by the construction of a dam across Trail creek. In addition the accommodations include a golf course, a polo field, a baseball diamond and facilities for horseback riding including pack trips into the mountains. The rodeo arena, which is located less than half a mile from the lodge and a somewhat greater distance from Sun Valley village, embodies a quarter-mile oval track, 50 ft. wide, which surrounds a field 200 ft. wide and 345 ft. long, exclusive of the half-circles at the ends. A covered grandstand along one side of the field has a seating capacity of 2,878 persons, while 2,682 may be seated in bleachers arranged along the opposite side of the track. Both the grandstand and the bleachers, as well as the pens and chutes for handling live stock, are of timber construction.

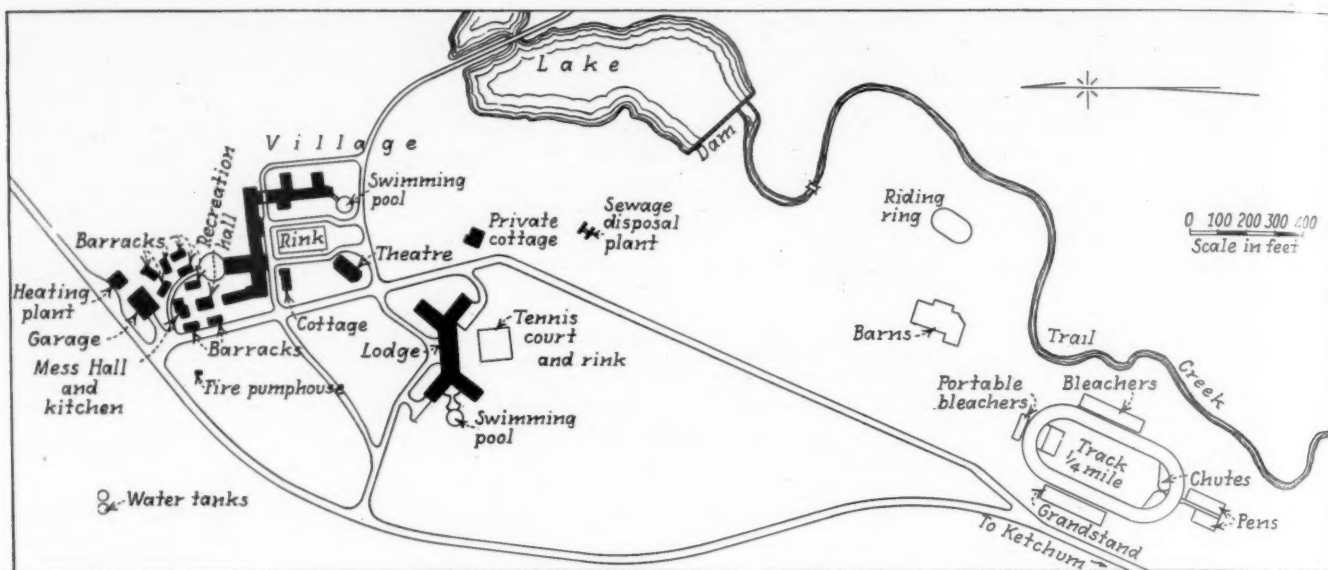
In the new Challenger village the chosen scheme of architecture has been carried through with such thoroughness down to the smallest details that the outward impression created is unmistakably that of a mountain village of the type common to certain parts of Northern Europe. Except for the theatre and a 20-room guest cottage the buildings are grouped informally along the north and east sides of a village square. The theatre is at the southwest corner of the square, where it is convenient to patrons of the lodge as well as to those of the inn, the 20-room cottage is located on the west side of the square near the northwest corner, the circular swimming pool is at the southwest corner and the skating rink is in the center. Just outside the village square to the northwest are grouped the garage, the heating plant and the buildings housing employees' sleeping, dining and recreational facilities.

All units in the main grouping of buildings are of two-story construction with the upper floors being given

largement of the systems that were constructed to serve the lodge.

To enhance the appeal of the valley as a resort for sportsmen and vacationists during all seasons, additional sports and recreational facilities and services have been installed. Among those appealing to winter vacationists are the steps that have been taken to increase the extent of the territory available to ski enthusiasts. To accomplish this end a new ski lift, located between Dollar and Proctor mountains, has been constructed. This lift, a chair line, ascends a vertical height of 900 ft. in a length of 1,700 ft. and has an intermediate landing stage. On the slope served by this ski lift have been constructed ski jumps for both beginners and experts, which conform to the official specifications of the International Federation of Skiing. Down the face of the jumping mountain has also been provided an official slalom course which, together with the ski jumps, makes Sun Valley eligible for an official ski tourney.

Additional skiing territory has also been brought within the range of Sun Valley patrons by the clearing of new trails and by the provision of a specially-designed



Plan of the Facilities in Sun Valley Showing the Lodge, the Challenger Village and Adjacent Auxiliary Units

over almost exclusively to sleeping accommodations for employees and guests, while the lower floors contain guest rooms and the auxiliary services. Along the north side of the village square are found, on the first floors, the weinstube, known as "The Ram," which features Bavarian and Tyrolian music, the main dining room, a cafeteria for employees, a post office, a recreation room for guests, the hotel lobby and lounge, miscellaneous shops, transportation and telegraph office, the manager's office and a few guest rooms. Extending back (to the north) from this portion of the grouping are two wings, one of which contains the kitchen on the first floor and living quarters for male employees on the second, while the other contains living accommodations for male employees on the first floor and for women employees on the second floor. This line of buildings has a total length of about 400 ft. and a depth, exclusive of the wings, ranging from 43 ft. 3 in. to 46 ft. 3 in.

On the East Side

Along the east side of the village square are found the large general store and the ski shop, the remainder of the space on both floors of this portion of the village being devoted to hotel accommodations. These include a ladies' wing and a bachelors' wing, while a section of the main structure is set aside for married couples. This

portion of the village is 282 ft. long, measured from the south face of the north line of buildings, and has a depth (likewise exclusive of the wings) varying between 35 ft. 8 in. and 44 ft.

Near its north end, the group of buildings along the east side of the square is pierced by an archway which, while having utility in that it carries a driveway, adds a convincing touch to the general scheme of architecture. In common with the main group of buildings, the cottage is of two-story construction but contains guest rooms on both floors throughout.

While those portions of the village along the north and east sides of the square are in reality one integral structure with all main units on the first floors provided with interconnecting doors and with a corridor extending from end to end of each main section on the second floor, every effort was made to give the impression that the village is composed of a series of separate structures. To this end the facades of the various units were subjected to wide variations in treatment within the general motif and any hint of uniformity or monotony was studiously avoided.

Construction Details

All buildings, including the cottage and the theatre auditorium, are of frame construction on concrete found-



A General View of the Village From the Southwest. The Theatre Building (Viewed from the Rear) Is in the Foreground, While the Swimming Pool May Be Seen at the Extreme Right

dations and are faced on the exterior for the most part with stucco and to a lesser extent with rough-hewn boards which, in furtherance of the desire to achieve variety, are applied vertically, horizontally or diagonally as the case may be. All roofs are of the gable type, with the pitch as between different units showing considerable variation, and are covered with wood shake shingles. In many instances the eaves have a wide overhang which is supported by brackets consisting of rough-hewn timbers. All exterior walls and interior partitions, floors and ceilings are sound-proofed and are insulated with mineral wool.

Other features of construction on the exteriors of the buildings that serve to enhance the chosen scheme of architecture include the use of multi-paned windows, the utilization of timber in a variety of appropriate forms in window shutters and in the balustrades of porches and balconies, the introduction of a steeple topped by an elaborately ornamented iron weather vane over the arch in the main building and of a belfry containing a bell over the theatre building, and the use of rough-cut stone laid random in balustrades, steps, chimneys and at a few locations in the exterior walls. A convincing touch is imparted by the use of exterior lighting fixtures consisting of iron-framed glass-enclosed lamps which are supported from the walls by metal brackets or hangers of appropriate design.

Novel Features

Novel among the features incorporated in the village is the swimming pool which, surrounded as it is by a plate glass wind-break and provided with water that is maintained uniformly at a temperature of 90 deg. F., makes it possible for patrons of the inn to enjoy a swim in the open air in mid-winter. The village pool is similar to that at the lodge, being of concrete construction, circular in plan, 60 ft. in diameter and surrounded by a walk 7 ft. 6 in. wide. The fence enclosing the pool is 8 ft. high and consists of panels of glass 5 ft. 10 in. high spanning between concrete piers 14 ft. apart above a cement stucco base. An enclosed heated passage connects the pool with the main building.

Variety of Accommodations

The facilities for guests at the inn are available in a wide variety of accommodations. Forty rooms, most of which have a southern exposure, have private baths and showers; 60 rooms are arranged in two-room units with a bathroom between and with running water in each room; and 80 rooms are arranged in two-rooms units with a shower between, all fixtures being located in the bathroom. In addition the 20 rooms in the cottage are available in suites containing from 2 to 12 rooms, with one or more rooms in each suite being used as a sitting room if desired.

General supervision over the engineering matters involved in carrying forward the various phases of the work in Sun Valley has been exercised by B. H. Prater, chief engineer of the Union Pacific, while W. T. Wellman, architect, has had charge of the design and construction of the buildings. Sketches of the latter were prepared by Gilbert Stanley Underwood & Co., consulting architects of Los Angeles.

The general contractor in the construction of the hotel was the J. V. McNeil Company, Los Angeles. Approximately \$1,000,000 was expended on the village and other facilities that were constructed in Sun Valley during the past year.

"Out-of-Town" Hearings In the Freight Rate Case

A suggestion that a portion of the freight revenues resulting from the 15 per cent increase in freight rates be placed in a pool for the benefit of the weaker railroads was made by Luther M. Walter, co-trustee of the Chicago Great Western, at the regional hearing on Ex Parte No. 123 before Commissioner Clyde B. Aitchison at Chicago on January 13. His plan, as presented, contemplates that if a railroad earns more than 2½ per cent on its property investment and that amount is greater than 95 per cent of the 15 per cent increase, the entire 95 per cent accrues to the pool.

For example, the total property investment of the Chesapeake & Ohio on December 31, 1936, was shown in an exhibit presented by Mr. Walter as \$582,194,743, and its adjusted net railway operating income, after including a 15 per cent increase, was shown as \$54,931,195, a return of 9.44 per cent. According to the exhibit the 15 per cent increase would give this railroad \$10,345,254 additional freight revenue and 95 per cent of this amount would be \$9,827,991. Since this railroad's net railway operating income would be \$54,931,185, a return of 2½ per cent on this investment would be \$14,554,868, and it would have excess earnings over this amount of \$40,376,317, a figure greater than 95 per cent of the income from the rate increase, and it would therefore contribute \$9,827,991 to the pool. After deducting this amount from \$54,931,185, the exhibit shows that it would still have a net operating income under the plan of \$45,103,194, and after adding other income and subtracting miscellaneous deductions, interest and other fixed charges, would have a net income of \$36,158,334.

The plan contemplates that if 95 per cent of the 15 per cent increase is greater than the excess over 2½ per cent, then only the amount of the excess accrues to the pool. For example, the total property investment of the Chicago, Burlington & Quincy is shown as \$606,009,569 and its adjusted net railway operating income, after including a 15 per cent increase in freight rates, is shown as \$16,054,656, a return of 2.65 per cent. According to the exhibit the 15 per cent increase would give this railroad \$9,756,932 more freight revenue and 95 per cent of this amount would be \$9,269,086. Since this railroad's net railway operating income is \$16,054,656 and 2½ per cent on its investment is \$15,150,239, it would contribute to the pool only the amount of the excess, or \$904,417, and would retain \$8,364,669. Its net operating income under this plan will then be \$15,150,239 (the adjusted income minus the contribution), and its net income \$6,858,576 after adding other income and subtracting miscellaneous deductions, interest and other fixed charges.

If the carrier does not earn a return as great as 2½ per cent, then the full amount of the 15 per cent increase in freight revenue will be retained by the carrier. For example, the total property investment of the Chicago, Rock Island & Pacific and the Chicago, Rock Island & Gulf is shown as \$500,046,413 and their adjusted net railway operating income, after including a 15 per cent increase in freight rates, is shown as \$4,780,197, a return of 0.96 per cent. The 15 per cent increase would give these railroads \$9,914,247 more freight revenue and 95 per cent of this amount would be \$9,418,535. Since their net railway operating income is less than a 2½ per cent return on the investment, they would not contribute to the pool but would retain the \$9,418,535. Their

net operating income under the plan would then be \$4,780,197 and after adding other income and subtracting miscellaneous deductions, interest and other fixed charges, they would have a net deficit of \$10,549,784, which amount they could draw from the pool.

The return of 2½ per cent on property investment, undepreciated as of December 31, 1936, that was used in the exhibit was supplemented by another tabulation in Washington which showed the contributions and withdrawals based upon original and replacement costs, depreciated and undepreciated, and returns of 2½, 3 and 4 per cent.

According to the exhibit \$158,686,195 would be contributed to the pool by 63 out of a total of 124 railroads included in the exhibit. Thirty-three in the east would contribute \$100,334,285; 9 in the south, \$26,048,130; and 21 in the west \$32,303,780. A total of 55 railroads would withdraw \$85,197,113. Twenty-two in the east would withdraw \$15,525,365; 10 in the south, \$9,480,779; and 23 in the west, \$60,190,969. About 73½ million dollars would be left in the pool, which Mr. Luther said could be used for any purpose that public interest requires. He opposed any political use of the money.

Another provision of the plan suggested a limitation of the amount which a carrier might spend for maintenance of track and equipment. Mr. Luther suggested that the average maintenance ratio for the ten years ended December 31, 1935, be utilized as a yardstick.

Others Testifying at Chicago

Harry A. Wheeler, president of the Railway Business Association, introduced several exhibits containing information he had been requested, while on the stand in Washington, to furnish. One of these exhibits, a comparison of employment and payrolls in the railway equipment and supply industry, showed that 127 concerns employed 588,017 men, with payrolls of \$82,364,246 during their peaks of business in 1937, but that the number of men had decreased 13 per cent or to 511,225 and the payrolls 35 per cent, or to \$53,474,676 as of December 1, 1937. According to reports he had received from members of this organization, a further decrease in employment occurred in December and will follow during the first quarter of 1938.

Another exhibit showed the estimated financial condition of the railroads in 1938, assuming a 10 per cent decrease in traffic. According to this tabulation the estimated operating revenues in 1938 for 19 railroads in intermediate financial condition, assuming a 10 per cent reduction in freight traffic, would amount to \$1,356,928,000, as compared with \$1,429,757,000 in 1936. If a 15 per cent increase were applied to this traffic, the additional revenue would amount to \$139,680,000, while a 10 per cent increase would increase the revenue \$93,095,000. These amounts, after deducting the estimated deficit and fixed charges amounting to \$48,519,000, would make available funds for improvements to properties. Of 12 Class I railroads in receivership, the estimated operating revenues in 1938, assuming a 10 per cent reduction in freight traffic, would amount to \$634,967,000, but increases of 15 per cent and of 10 per cent would increase freight revenues only \$73,069,000 and \$48,713,000 respectively, amounts insufficiently to offset their estimated deficit and fixed charges of \$91,926,000.

The hearing at Chicago was concluded on January 13, following testimony of shippers who supported the proposal for a 15 per cent increase in freight rates. Among these was Max W. Babb, president of the Allis-Chalmers

Manufacturing Company; John W. Kapp, Jr., mayor of Springfield, Ill.; F. S. Noleman, a director of the Chamber of Commerce of Centralia, Ill.; Louis Piefer, mayor of Centralia; and Thomas Jordan, secretary-manager of the Mt. Vernon, Ill., Chamber of Commerce.

At New Orleans

At New Orleans, La., Jules Godchaux, vice-president of the Godchaux Sugar Refinery, Reserve, La., appeared in support of the advance in general, but urged that rates be increased in specific amounts in cents per hundred lb. and not in a blanket 15 per cent order. Support also came from representatives of major oil companies, including the Standard Oil Company of New Jersey, which favored the full 15 per cent increase. Others favoring the increase included A. F. Wynn, traffic manager of the Skelly Oil Company, Tulsa, Okla., and C. R. Musgrave, of the Phillips Petroleum Company, Bartelsville, Okla.

At Los Angeles

Further testimony in favor of the 15 per cent increase was presented at the hearing at Los Angeles before Commissioner Claude R. Porter. A reasonable rail rate schedule is justifiable, in the opinion of Frank H. Powers, traffic manager of Sears, Roebuck & Co., and chairman of the rate committee of the Western Traffic Conference. He pointed out, however, that any increase should be adjusted to geographical locations and various commodities. H. C. Cantelow of the Pacific Coastwise Conference, representing western steamship lines, said that their business is jeopardized unless rail rate increases, which will entail corresponding water haulage rate boosts, are effected. The Los Angeles area, according to Harry R. Brashear, transportation department manager of the Chamber of Commerce is more dependent upon the railroads than possibly any other region in the country and much of its growth can be attributed to rail transportation. "The Chamber of Commerce," he continued, "believes in an increase in freight rates, if necessary, or in an adjustment in rates such as to enable the railroads to meet their increased costs of the past few years."

At Salt Lake City

At Salt Lake City, Utah, opponents of the increase contended that the railroads should attempt to solve their financial difficulties by eliminating practices described as wasteful; that if a rate increase is granted it should not be on a flat percentage basis; that the way to promote prosperity is not by increasing transportation costs, but by decreasing them; and that the proposed increase will generally disrupt markets of the intermountain region by pyramiding freight differentials which now handicap the section in the competitive markets of the populous centers.

One allegedly wasteful practice which was criticized was privileges in transit; another was salaries paid executives; another was contributions to the Association of American Railroads and the Western Association of Railway Executives; and another was the failure to retire debts. Corrective measures suggested included the abolishing of free stops in transit; reduction of fixed charges; the closing of city ticket offices; and the moving of general offices out of high rent office buildings into buildings on the right-of-way.

Testimony supporting the increase was designed to show
(Continued on page 196)

Locomotive Inspection Report

Accidents, deaths, locomotives inspected and number ordered from service increases

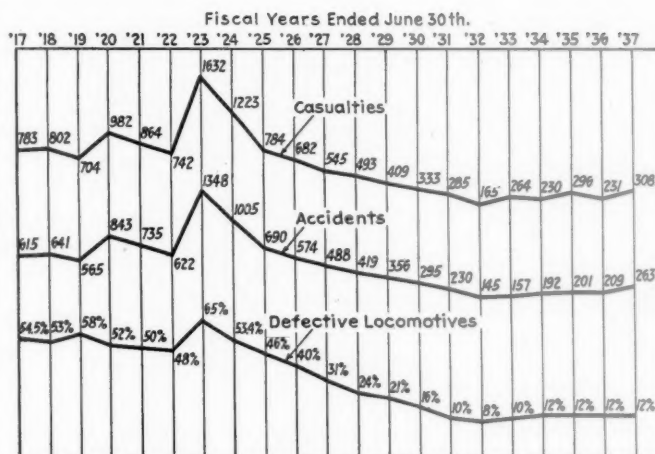
THE annual report of the Bureau of Locomotive Inspection submitted by John M. Hall, chief inspector, which covers the fiscal year ended June 30, 1937, shows an increase in the number of locomotives inspected, the number found defective, the number ordered out of service, and the number of defects found; however, the percentage of the locomotives inspected which were found defective remained at 12 per cent as for the preceding three years. There was an increase of 9.6 per cent over 1936 in the number of locomotives ordered from service because of defects which rendered the locomotives immediately unsafe.

In addition to the accidents shown in the tables and otherwise referred to in this report, there were reported to the bureau a total of 87 accidents in which four employees were killed and 83 employees injured in falls while in the performance of their duties on locomotives. None of these falls could be attributed to any features encountered in connection with the condition of locomotives, it being apparent in each instance that the falls were caused by inattention or sudden illness on the part of those killed and injured. These accidents do not come within the scope of the locomotive inspection law but are mentioned here in order to emphasize the necessity of alertness on the part of all persons employed on or about locomotives.

During the fiscal year ended June 30, 1937, the number of steam locomotives inspected totaled 100,033 of which 12,402 or 12 per cent were found defective and 934 were ordered out of service, the latter figure representing an increase of 9.6 per cent from the preceding year. In 1936, there were 97,329 locomotives inspected of which 11,526 were found defective and 852 were ordered out of service. In the year ending June 30, 1935, a total of 94,151 locomotives were inspected of which 11,071 were found defective and 921 were ordered out of service. The total number of defects found, and shown in the last three reports, were 44,941 in 1935, 47,553 in 1936 and 49,746 in 1937.



Low Water Caused This Explosion Which Resulted in Three Deaths



Relation of Defective Steam Locomotives to Accidents and Casualties Resulting from Locomotive Failures

The total number of accidents caused by failure of some part of the steam locomotive or tender, including the boiler, was 201 in 1935, 209 in 1936 and 263 in 1937.

Steam Locomotive Accidents—Number of Casualties Classified According to Occupations

	1933		1934		1935		1936		1937	
	Kill- ed	In- jured	Kill- ed	In- jured	Kill- ed	In- jured	Kill- ed	In- jured	Kill- ed	In- jured
Members of train crews:										
Engineers	2	58	1	57	7	65	4	75	8	106
Firemen	1	48	1	73	4	70	6	72	5	78
Brakemen ....	..	17	..	32	2	26	3	28	3	30
Conductors ...	..	10	..	17	..	10	..	13	1	18
Switchmen ...	..	8	..	6	..	3	..	2	..	10
Enginehouse and shop employees:										
Boilermakers ..	..	1	..	2	..	6	..	..	2	2
Machinists ...	..	2	..	5	..	1	..	4	..	2
Foremen .....	..	..	..	..	..	2	..	3	..	..
Inspectors ....	..	1	..	3	..	1	..	2	..	..
Watchmen	2	3	1	4	1	1	1	1	1	1
Boiler washers	..	1	..	..	..	..	..	..	..	..
Hostlers .....	..	..	1	5	..	3	..	3	..	9
Other engine-house and shop employees ....	..	3	..	1	..	6	..	3	..	3
Other employees...	..	2	..	4	..	14	..	5	..	14
Nonemployees	3	102	..	14	..	22	2	4	4	10
Total	8	256	7	223	29	267	16	215	25	283

The number of persons killed in such accidents was 25 in 1937. This is an increase of 52.2 per cent over the number killed in 1936, and compares with 16 deaths in 1936, 29 in 1935, 7 in 1934 and 8 in 1933.

Steam Locomotives

There was an increase of 54 in the number of accidents occurring in connection with steam locomotives, an increase of 9 in the number of persons killed, and an increase of 68 in the number of persons injured, compared with the previous year.

There was an increase of one in the number of acci-

dents, an increase of 9 in the number of persons killed, and an increase of 3 in the number of persons injured as a result of boiler explosions or crown-sheet accidents as compared with the previous year. Boiler and appur-

Accidents and Casualties Caused by Failure of Some Part or Appurtenance of the Steam Locomotive Boiler*

	Year ended June 30						
	1912	1915	1932	1933	1934	1935	1936 1937
Number of accidents	856	424	43	53	63	68	75 63
Number of persons killed...	91	13	8	3	4	24	10 19
Number of persons injured.	1,005	467	46	55	77	119	80 73

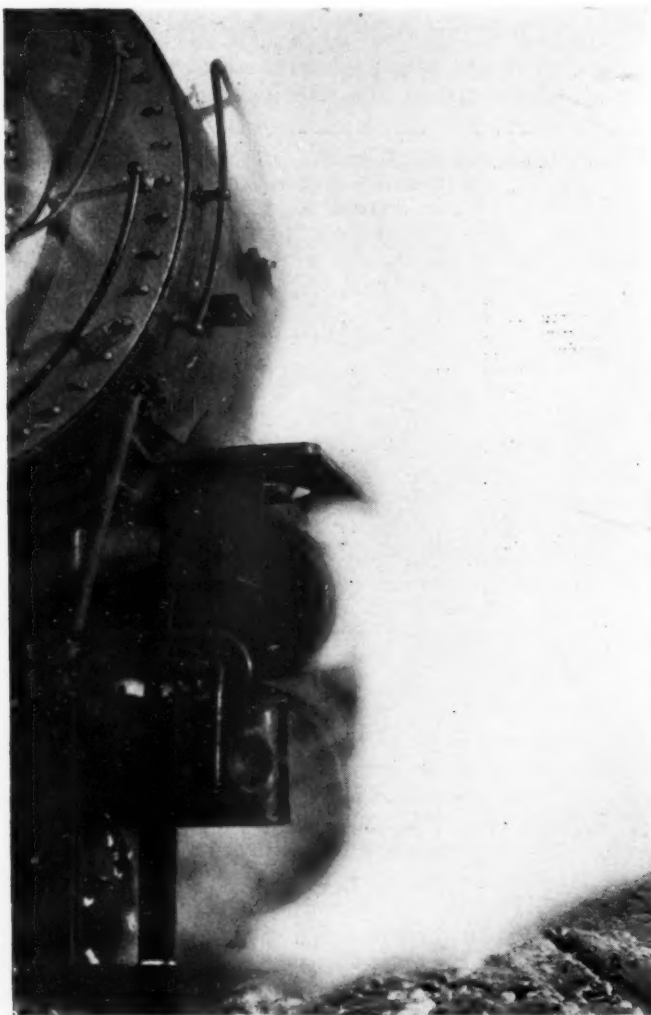
* The original act applied to the locomotive only; act amended in 1917 to include the entire locomotive and tender.

tenance accidents other than explosions resulted in the death of two persons and the injury of 60 persons.

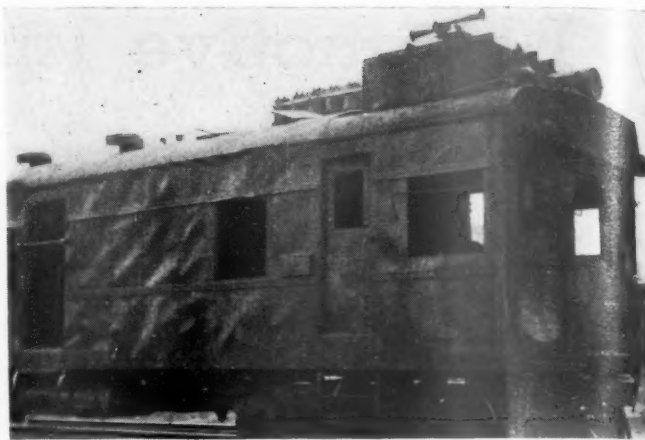
Applications for extensions of time for removal of flues as provided for in Rule 10 totaled 679. Of these, 50 were rejected, 41 were given extensions for a shorter time than requested, 35 were granted after defects found were repaired, 10 applications were canceled, and 543 extensions were granted for the full periods requested.

Locomotives Other Than Steam

In 1937, compared with 1936, there was an increase of three in the number of accidents occurring in connection with locomotives other than steam and an increase of five in the number of persons injured. No deaths



This Locomotive was Withheld from Service by a Federal Inspector Because of Steam Leaks Which Obscured the Enginemen's Vision



Fire Occurred in This Gas-Electric Unit When Gasoline Sprayed from a Punctured Reservoir Due to Air Pressure Being Maintained in the Reservoir to Raise the Gasoline to the Carburetors

occurred in either year. During the year nine per cent of the locomotives inspected were found with defects or errors in inspection that should have been corrected before the locomotives were put into use as compared with eight per cent in the previous year. There was an increase over 1936 of 13 in the number of locomotives ordered withheld from service because of the presence of defects that rendered the locomotives immediately unsafe.

One appeal from a decision of an inspector, as provided in Section 6 of the law, was made during the year. Subsequent investigation resulted in the decision of the inspector being sustained.

Recommendations

Recommendations and reasons therefor were made in the report for, (1) equipping of steam road locomotives with a suitable water column with gage cocks and water

Accidents and Casualties Caused by Failure of Some Part of the Steam Locomotive, Including Boiler, or Tender

	Year ended June 30				
	1933	1934	1935	1936	1937
Number of accidents	157	192	201	209	263
Increase or decrease from previous year, per cent	8.3*	22.3*	4.7*	4.0*	25.8*
Number of persons killed	8	7	29	16	25
Increase or decrease from previous year, per cent	11.1	12.5	314.3*	44.8	52.2*
Number of persons injured.....	256	223	267	215	283
Increase or decrease from previous year, per cent	64.1*	12.9	19.7*	19.5	31.6*

* Increase.

glass; (2) equipping the cabs of all steam locomotives, which do not have front doors or windows of such sizes as to permit easy exit, with a suitable stirrup or other step and a horizontal handhold on each side approximately the full length of the cab to enable the engineman to go from the cab to the running board; (3) equipping of steam locomotives with a brake-pipe valve on the rear of the cab or the front end of the tender to enable the brakes to be applied in the event the enginemen are, from any cause, prevented from applying the brakes in the usual manner; (4) reducing the condemning limit of slid-flat spots on wheels 36 in. or less in diameter on road locomotives, and for discontinuing such wheels in service if they are out of round $\frac{1}{16}$ in. or more in an arc having a length of 12 in.; and (5) equipping all front doors, windows and cab storm windows with safety glass.

Hearings on Ex Parte 123

Wind-up sessions in Washington bring out governors, congressmen and the Secretary of Agriculture

WASHINGTON, D. C.

THE Ex Parte 123 rate-increase hearings returned to Washington D. C., on January 17 for wind-up sessions devoted to testimony of additional protestants, led off by public officials of Pennsylvania, including Governor George H. Earle, Lieutenant Governor Thomas Kennedy and several congressmen from that state. Also, Secretary of Agriculture Wallace and Governor H. A. Holt of West Virginia. Presiding over the main Washington hearing was Commissioner Aitchison, chairman of the commission's Division 7 which was created to handle the case. Meantime in a nearby hearing room Commissioner Caskey or Examiner Hosmer held court from time to time as they were able to round up witnesses whose presentations lent themselves to such handling; while at Portland, Ore., Commissioner Lee was sitting on the final out-of-Washington session.

The final hearing on the passenger-fare phase of Ex Parte 123—the petition of Eastern roads for a 25 per cent boost in coach rates—opened at Washington on January 20 before Commissioner Porter. Also, the commission announced that Ex Parte 123 will stand submitted on February 9, the deadline for the filing of written briefs. The same announcement set January 31 as the date for oral argument. In view of the short time permitted for the filing of briefs, the announcement continues, the commission “will waive its rules of practice requiring that briefs containing more than 40 pages be printed and that briefs contain an abstract of the evidence relied upon.” The commission urges parties “whose interests are common to cooperate in presenting their contentions in a single argument, and by a single brief, wherever that is possible.”

Aside from the evidence presented at hearings, several shipping interests during the past week filed with the commission verified statements setting forth their position in the proceeding. This is in accordance with Commissioner Aitchison's announcement that such statements or affidavits of facts, which should omit arguments, would be received in lieu of personal appearances. At the opening of the January 17 hearing Commissioner Aitchison announced that valuation exhibits prepared by the I. C. C. Bureau of Valuation would be incorporated into the record.

Governor Earle of Pennsylvania

Governor Earle was preceded on the stand by P. E. Fickenscher, chief rate clerk of the Pennsylvania Public Utility Commission, who appeared at that point merely to present exhibits to which the governor referred. The latter read a prepared statement which got under way with the assertion that his appearance was in protest “against any further increase of freight rates upon two great natural resources of our state, bituminous and anthracite coal.”

Referring to a map introduced by Mr. Fickenscher, Governor Earle asked the commission to note how “nature has placed the anthracite and bituminous fields of Pennsylvania closer to the greatest fuel markets of the world than the fields of any other region;” and how

“that natural advantage has been nullified and finally turned to hopeless disadvantage by the systematic erection of freight schedules around and affecting each of Pennsylvania's great coal fields.” The witness then referred to Pennsylvania's loss of lake cargo and east-bound tidewater coal tonnage and to other market shifts adverse to producers in his state. In discussing his allegations of discrimination against Pennsylvania bituminous destined for New York and New England markets, the governor thought it “a matter for passing comment that the gentlemen responsible for that discrimination, some of these being prominent Pennsylvanians, bought largely into Southern mines and railroads and thus profited personally from Pennsylvania's misery.”

The “Devastated Condition” of Anthracite

After presenting production figures to show how the bituminous output of West Virginia fields has increased as that of Pennsylvania has declined, Governor Earle turned to an examination of the “amazing and devastated condition into which the anthracite field, the field containing the world's best fuel, has been sunk.” From a 1917 peak of 99,600,000 net tons, he continued, the output of anthracite declined to a 1933 low of 49,500,000 net tons; and 1936 production was only 54,264,000 net tons, indicating that “46 per cent of the market for anthracite coal has been lost.” The governor was “satisfied that the level of freight rates was in no small measure partly responsible for this loss.” The separation of railroads and their coal properties, he said, left the rate structure much the same as before; and though recent I. C. C. decisions have made markets more accessible to more producers, nevertheless rates to the “biggest markets”—New York and New England—“remain at a level which permits bituminous coal from the south and fuel oil to dominate those markets.”

Mr. Earle next told of the relief case load in the anthracite regions where the proportion of the population receiving relief is nearly double that in remaining Pennsylvania counties. He followed up with figures on the decline in employment in the anthracite industry and the effect on community tax collections and finances of such depressed conditions. But, the governor went on, “it is not upon past and present discriminations that Pennsylvania rests its case.” The state's position so far as coal sales are concerned would be “virtually impossible” if the proposed increases were “superimposed upon these discriminations.”

Appreciates Community-Value of Railroads

Governor Earle wanted it “clearly understood” that in making his protest he did not wish to detract from the value to the state and nation of the services rendered by railroads. He thinks it has been “well argued” that rate increases are necessary “to enable the railroads to play their part in the current battle for national recovery;” but he believes that “modernization of the railroads is necessary also as a matter of economy.” He

sees "no good reason" to "further debilitate" other industries just as essential to the welfare of our citizens; for "national recovery need not require industrial cannibalism." Also, in Governor Earle's judgment it would not be wise for the commission to authorize blanket increases which would give revenue to roads not in need of it, and to others "so sick that they are virtually dying."

The cross-examination of Governor Earle by J. V. Norman, counsel for West Virginia coal producers, was frequently interrupted by R. J. Beamish, a member of the Pennsylvania Public Utility Commission who acted as counsel for the governor. Mr. Beamish's continued activity in this connection, despite Commissioner Aitchison's adverse rulings on many of his objections, brought forth considerable laughter from spectators who were chided by the presiding commissioner. The latter at one point told Mr. Beamish that Mr. Norman was "entitled to find out what the governor knows" about a matter under consideration.

Mr. Norman first questioned the accuracy of the figure for the Westmoreland-Boston rate which had been used by the governor. The governor left the answer to Mr. Fickenscher, who was to return to the stand later. Then, Mr. Norman continued, there is "one figure you have right—you do get to the lakes at a 35-cents advantage." Governor Earle replied that this differential did not give Pennsylvania the advantage to which its location entitled it. And he would not admit that the lower freight charge was prima facie evidence that Pennsylvania's plight was due entirely to factors other than transport costs.

Other Pennsylvania Officials

Lieutenant Governor Kennedy, who is also secretary-treasurer of the United Mine Workers, read a statement similar to that of Governor Earle, although suggesting that the commission investigate coal rates "from the standpoint of the workers." He was followed in turn by William W. Lynett, publisher of the Scranton (Pa.) Times and Congressmen Boland, Flannery and Gildea, all of Pennsylvania. Another of Mr. Beamish's protests came during the cross-examination of Representative Boland; and Commissioner Aitchison reminded counsel that the commission wanted all the facts, but they should be presented "by one who can stand cross-examination."

J. C. Magness, traffic manager of the Glass Container Association of America, stated the position of that organization to be one holding that "unless the recently authorized increases in Ex Parte 115 on our traffic be deducted from such percentage increase as may be allowed in Ex Parte 123 on traffic generally, the increase over our December 19, 1937, rates will be excessive and not justified, to which we object." This Association also objects to increases "where the result, by reasonable standards of judgment, will be to reduce instead of increase railroad revenue and cause needless injury to this industry. This applies to either temporary or permanent increases in Ex Parte 123." However, if any increases are to be granted the witness would have temporary ones, and keep the proceeding open long enough to develop a basis for a permanent rate structure compensatory to the railroads. He told J. M. Souby, assistant general counsel of the Association of American Railroads, that he would limit emergency rates to six or eight months with provision for an extension.

Sheldon E. Wardwell of the Great Northern Paper Company appeared on behalf of the Association of Newsprint Manufacturers of the United States, to caution against increased rates which would divert the newsprint

business to Canadian and European mills. He was followed by R. A. Cooke, traffic manager of the American Newspaper Publishers Association, who stated that his organization did not oppose the contention of the railroads that they need more revenue; nor did it oppose the proposed increase as an emergency measure, provided the commission finds that it will in fact bring the carriers more revenue. In the latter connection this Association's duty, as it conceived it, was to present evidence on possible diversions of newsprint tonnage to competing carriers.

Commissioner Aitchison questioned Mr. Cooke at considerable length, pointing out at the outset that many newspapers were "panning us" for not granting the railroad petition immediately. He asked the witness how many newspapers his organization represented, and Mr. Cooke said the majority were members. Then, Commissioner Aitchison asked, "the majority wants hearings?" Mr. Cooke replied in the affirmative. Mr. Souby questioned Mr. Cooke on recent increases in the price of papers and in advertising rates.

Secretary of Agriculture Wallace

Secretary Wallace was invited to appear by the commission at the suggestion of John E. Benton, counsel for the National Association of Railroad and Utilities Commissioners. He read a statement in which was set out material which led the witness to the conclusion that "a reduction in rates would have some promise of increasing railroad income, while an increase in rates rather than increasing railroad revenue might tend to reduce it." In his opinion increases in freight rates "have no place" in the recovery picture, and "do not contribute to the long time solution of the railroad problem." And "the only short-time policy which can mean real health for the railroads is one which means real health for the construction, manufacturing, mining, agricultural and all other industries that supply the railroads with volume." Thus he believes that "the railroads might effectively cooperate with the industrialists and other groups that are now trying to devise ways and means for getting construction and industrial activity revived."

Mr. Wallace's argument was based in the main on present price disparities which he contended would be accentuated by an increase in freight rates. He quoted figures from which he drew the deduction that the percentage of the national income spent for passenger and freight service remains fairly constant. He found this "of peculiar significance to the railroads" since "it means in general that if freight rates are increased the proportion of the total traffic available which they will carry tends to be reduced by an offsetting proportion so that their total per cent of the national income tends to remain unchanged."

"A further fact bearing on the reasonableness of the request of the railroads for higher rates at this time," Mr. Wallace went on, "is a subsequent request that rates for telegraph messages be increased so as to enable the telegraph companies to make profits in spite of the reduced traffic produced by the business recession. The commission might well consider for a minute what the result would be if every industry throughout the country would increase its rates or prices in the face of the recession sufficiently so that it could still make a profit in spite of a lower volume of activity. With general increases in prices and costs of living but with no accompanying increase in national income, the total amount of goods and services which consumers could buy would be reduced to the extent costs rose. There would be a

still further fall in demand for goods and services, the volume of traffic would fall still further."

Referring to similar testimony offered by Mr. Wallace in 1934 Mr. Souby wondered if the witness could explain why subsequent developments had been contrary to his prediction. Mr. Wallace replied that many factors entered the picture such as government "pump-priming," and the developments cited by Mr. Souby came later—the situation at the time of his 1934 testimony was the same as it now is, i. e., there was then a disparity in prices and there had been no very general recovery. Later the witness said he would like to know just what he had said in 1934, and Mr. Benton told him that he had read the 1934 testimony a few days ago, finding it "entirely consistent" with that just given by the secretary. "You proved a very good prophet," Mr. Benton added.

Then Mr. Souby asked at just what point on the way out of a depression the railroads should be permitted to increase their charges. After a remark from Commissioner Aitchison as to how one is going to know when business is on the way up, Mr. Wallace told Mr. Souby that two factors are involved—the relation of railroad freight rates to other prices in the long-range view and the necessities of the immediate situation. In the latter connection and disregarding the long-time relationship, he added, it might be desirable to let the carriers "make hay while the sun is shining."

Governor Holt of West Virginia

Governor Holt of West Virginia was in Washington on other business, but he had heard of Governor Earle's testimony. Thus he appeared to state the position of West Virginia whose coal rates "almost without exception" are "materially higher" than those from Pennsylvania fields. "Our position," he went on, "is that the existing differences already unduly favor the Pennsylvania production"; and the governor hopes that "the freight rate advantages of our neighbor, the great state of Pennsylvania, will not be further increased." There was no cross-examination.

Governor Holt was followed by a representative of the Arkansas Corporation Commission who testified that his section of the country would be placed at a disadvantage if the proposed increases became effective. This witness' opinion, "which is not casual," was that higher rates would bring less total revenue to the carriers. Milton P. Bauman, appearing for the Alkali Consumers Traffic Committee, said that organization was willing to have any percentage adopted generally applied to its December 19 rates, i. e., it objected to superimposing new increases on the Ex Parte 115 boost.

W. H. Day Testifies

Meanwhile Commissioner Caskie and Examiner Hosmer in turn heard witnesses representing various commodities and interests, some opposing the increase without qualification, and others objecting to the method and level of the proposed rates but expressing their appreciation of the carriers' need for additional revenue. Among those appearing at these "sideshow" sessions was W. H. Day, manager of the Boston Chamber of Commerce's Transportation department. Speaking also for several other New England organizations Mr. Day said that his principals were much concerned over the plight of the railroads, realizing that curtailed maintenance and cessation of railroad buying cannot but result in deterioration of facilities. Being committed to private ownership and feeling that present conditions are

such that the carriers must get more revenue if a collapse is to be avoided, the organizations which Mr. Day represented favor such increases as in the commission's judgment are necessary to enable the railroads to continue adequate and efficient service. They would, however, limit the percentage increases on long-haul rates by certain maximums, derived from a formula submitted by Mr. Day. Similar testimony was presented by J. H. McCann and N. W. Ford, appearing respectively for the Associated Industries of Massachusetts and the Connecticut Manufacturers Association.

Coal Interests Object

Coal interests continued their opposition to the proposed increases at the January 19 session when presentations were made by the National Coal Association, Pennsylvania coal producers, the Property Owners Committee, the Consumers Counsel, the National Bituminous Coal Commission and other coal and coke interests. Traffic Manager F. F. Estes, the National Coal Association's first witness, presented an exhibit setting forth a variety of data bearing on relations of the coal industry to railroads.

This exhibit showed that the average cost per ton of locomotive fuel fell from \$3.94 in 1922 to a 1933 low of \$1.96, and had risen only to \$2.34 in 1936. Another tabulation showed 18 roads that last year were paying less than the district average f. o. b. mine price for coal, and compared these differentials with Dr. Julius H. Parmelee's estimate of the increased price per ton with which the same roads were faced. Also, index numbers were set up to compare the increases in costs of railway fuel with the rise in labor costs per ton of producing bituminous. On the basis of June, 1933, as 100 the labor cost of production stood at 186 in April 1937 as compared with an index of 126 for the average cost of railway fuel coal. In the first nine months of 1937 the railroads paid for fuel coal an amount equal to 32 per cent of their revenue on bituminous. This compares with 55.7 per cent in 1922 and with 28.8 per cent in both 1935 and 1936. After various other statistical comparisons, including some relating to the competition of other fuels, the exhibit sets up a table of estimated revenue lost to the railroads because of losses in bituminous coal tonnage. The grand total of this estimated loss from 1923 to 1936, inclusive, is put at \$1,371,013,031. Meanwhile, in 1935, the latest year for which figures were available, the railroads were still hauling 85.9 per cent of the bituminous produced; in 1931 they hauled 89.7 per cent.

H. J. Saunders, analyst for the Property Owners Committee, comprised of Southern coal producers, suggested that the "prudent investment" theory should govern in railroad valuations. If such were applied, he continued, the valuation would be only about 70 per cent of the figure used by Dr. Parmelee. The witness, who also suggested railroad economies through co-ordination of facilities, was questioned at some length by Commissioner Aitchison.

While the foregoing presentations and those of other coal interests listed above were proceeding in the main hearing room Commissioner Caskie heard testimony of various other interests, including the Virginia State Corporation Commission, the Tanners' Council of America, Representative Luecke of Michigan, who appeared on behalf of hay growers, the National Feldspar Association and Kentucky-Tennessee clay producers. Also, aside from association testimony, several representatives of individual shippers appeared, both at the main hearing and before Commissioner Caskie.

Hearings on Train-Limit Bill

Representatives of railroad labor continue "safety" arguments at this week's session before House committee

WASHINGTON, D. C.

REPRESENTATIVES of railroad labor continued their arguments for the train-limit bill (S.69) as a "safety measure" at this week's sessions of hearings before the House Committee on Interstate and Foreign Commerce. It was expected that the presentation on behalf of opponents, led off by the Association of American Railroads, would get under way toward the latter part of the week.

The presentation on behalf of the Order of Railway Conductors, made by W. D. Johnson, vice-president and national legislative representative, was completed at this week's opening session on January 18. Mr. Johnson was subjected last week to extended questioning by various members of the committee, including Representative Wolverton of New Jersey who reminded the witness that the committee had a right to assume that there would be facts regarding the bill's safety features, which were being stressed "in very strong language"; and which "naturally strike a sympathetic chord." In other words, as he explained his request, Mr. Wolverton wanted a recital of what Mr. Johnson knew personally about the matter—not what some subsequent witness would supply. But Mr. Johnson did not know of any better way to "get the facts" than hearing them from "the man who faced the gun," his reference being to testimony of later witnesses who had been injured in train accidents. Representative Wolverton countered with the observation that he knew of no better way to get the facts than from those who represent the men.

After further discussion along the foregoing lines Mr. Johnson said that he could not give the breakdown of accidents by lengths of trains; he did not contend that accidents don't happen on short trains, but he did insist that the hazard increases with the increase in train length. Representative Mapes of Michigan was interested in state train-limit legislation and J. Carter Fort, general solicitor of the Association of American Railroads, said that the railroads planned to develop a full history of such cases. Chairman Lea suggested that there might be an understanding as to the statistics to be introduced in the interest of avoiding duplication; but Mr. Johnson pointed out that his data did not come from such sources as the I. C. C.—they came from the O. R. C. Accident Insurance Department. Whereupon Representative Bulwinkle of North Carolina observed that figures should be presented ahead of the arguments based on them.

Not Asking Consideration of Employment Features

Representative Boren of Oklahoma wanted to know something of the importance of misinterpreted hand signals as a cause of accidents, and before asking his questions he again put into the record a denial from the witness that the bill was being advocated on the grounds of employment. Mr. Johnson replied with an unqualified negative to a direct question on the latter point. "You're not asking that employment be considered?" was Mr. Boren's next question. And the witness re-

plied "That is correct," but he went on to concede that train-limit legislation might result in "some additional train service."

Returning to the hand-signal question, Mr. Boren was unable to obtain from the witness any specific data as to the number of accidents caused by this alleged difficulty. During the subsequent discussion Mr. Johnson said that the largest number of injuries are due to shock, which statement prompted Representative Boren to suggest that the committee could "delete signals" from safety arguments in favor of the bill. But the witness protested that it is unfair to ask a man to work under conditions where he knows his signals won't be understood. Here Representative Wolverton read from I. C. C. Accident Bulletin 105 excerpts which showed that there were no road accidents in 1936 as a result of the failure to understand signals; and there were only two cases of improper signals in yards, these on trains of 15 and 17 cars. Mr. Johnson was familiar with the report cited but he explained that the O. R. C. was trying to make the point that the railroads "have reached the time in the length of trains where they have separated the front from the rear."

No Accidents from Misinterpreted Signals

When Mr. Boren persisted in asserting his inability to understand how the bill could be justified on the basis of misinterpreted signals when there were no accidents from that cause, the witness expressed the view that I. C. C. reports might reflect a different story "if all the facts were known." Mr. Johnson did not have a better report to supply to Mr. Boren, but he thought the latter should see "the justice" of the proposed legislation, regardless of how accidents occur. To which the Oklahoma representative replied that if he could be shown the need for the bill he was going to vote for it, adding that there had been no evidence that the alleged failure to understand signals should be an element in his decision.

To illustrate his attitude Representative Boren cited a Texas law which prohibits camel caravans from moving down the main street of a town. The law, he added, is meaningless if no camel caravan ever moves through a Texas town. And to Mr. Boren a safety law, based on the inability to understand signals, is just as meaningless if there is never an accident as a result of the cited cause. Mr. Johnson replied with a discussion of the need for preventive measures, coming again to the accidents caused by sudden shocks. In this Mr. Boren was interested, and explained that his purpose had been to eliminate grounds which are not substantial. When Mr. Johnson came back with the assertion that the bill is based on safety and on "human rights" Representative Boren appraised the witness' talk as a "good argument" but pointed out that it was not based on signal interpretation. To the Oklahoman a roller coaster "looks awfully dangerous," but he feels reasonably safe on them because they have so few accidents.

After further discussion of other accident figures read by Representative Wolverton from the I. C. C. bulletin, Mr. Johnson introduced the testimony of four train-service employees who had been permanently disabled as a result of accidents. These were H. L. Rice of Logansport, Ind., a Pennsylvania conductor, whose injury resulted when the engineer of his 93-car train made an emergency application of brakes in order to avoid going through an open switch; John S. Hunt of Columbus, Ohio, a Chesapeake & Ohio conductor, who was injured when his 156-car train parted, causing an emergency application of brakes. His brakeman, Mr. Hunt said, died as a result of injuries received in the same accident. Harry H. Kelly of Columbus and J. T. Towell of Frankfort, Ohio, conductor and brakeman respectively of the C. & O. who were injured when their 160-car train came to an emergency stop as a result of an out-of-place key in the drawbar of the sixty-fourth car behind the locomotive.

Returning to the stand himself, Mr. Johnson read what he said was a Delaware, Lackawanna & Western rule requiring employees riding in cabooses to brace themselves "at all times while the train is in motion." Many railroads, the witness continued, have like rules—yet to be braced at all times is "an utter impossibility."

Representative Martin of Colorado said he was getting letters every day "from the Grange" expressing apprehension that the bill would increase railroad costs. In reply Mr. Johnson expressed the view that many such letters were prompted by the Transportation Association of America's "little green book." Reading from the latter's presentation entitled "The Long and Short of It" Mr. Johnson called the piece the "longest thing on assumptions" and the "shortest thing on human rights" that he had ever seen. The authors, he continued, "sat in an office" and decided that long trains were not unsafe. The witness thought that the pamphlet must have been mailed "all over the country"—he received one, he guessed "by mistake."

B. R. T. Presentation

Mr. Johnson was followed by J. A. Farquharson, national legislative representative of the Brotherhood of Railroad Trainmen, who read a 15-page prepared statement in which he assailed the railroads with the charge that they had been forced to adopt every safety measure over the last 50 years. He urged that cost should not be considered when the safety of employees was involved. Questioned by Representative Boren of Oklahoma as to the cost of the bill, Mr. Farquharson said that he "couldn't lead himself to believe that the cost of the bill would be anything." "But even if there is a cost," he said, "if we can save the lives of men, doesn't society owe it to us?"

Mr. Farquharson predicated his support of the bill on the ground of safety, but in his discussion he referred to the number of men thrown out of work due to the use of heavier power by the railroads. The witness devoted a large part of his statement to a history of air brakes and the efforts of the railroads to perfect a brake which would adequately control a train of more than 70 cars. His contention was that there had not been developed a brake which would control a train of 100 cars or more and that it was his belief that it was impossible to produce such a brake. He went on to state that "it developed, as a result of all these tests (recent brake tests by the railroads), that the brakes were capable of functioning on trains of 50 cars and that they did not function safely on trains of 100 cars or

more. This proves that since the beginning of the use of power brakes the size of the locomotive itself, its increased hauling capacity, has far exceeded the ability of the power brake to safely control the tonnage the modern locomotive is capable of handling."

Mr. Farquharson next assailed the railroads for their recent campaign against the bill by saying that "the railroads have, during the recess of Congress, conducted one of the most vigorous programs of spreading propaganda against the enactment of this legislation that has ever been carried on against any safety legislation the Railroad Brotherhoods have sought to have enacted. They have flooded the country with reports that railroad accidents have been so reduced that they would lead you to believe that they are so infrequent that there is no need for any legislation."

Sees No Increase in Costs

Coming to the question of cost, Mr. Farquharson expressed the belief that the measure would not add one penny to the cost of operating trains. He cited the fact that when the eight-hour-day law was passed, the railroads carried on a campaign saying that the increased cost would bankrupt them. He advocated that the congress follow the advice of President Wilson, who said at the time of the enactment of the eight-hour-day law that no one could foretell the cost of the law, if any, and that it would have to be tried out to find out what the facts were. The railroads, he contended, made more money after the adoption of the law and moved more freight more cheaply than they had ever done before.

The witness went on to point out that all of the safety devices that the carriers were forced by law to install were opposed on the ground that the cost of installation would force them into bankruptcy. "Cost has no place," he said, "in the consideration of a safety measure; human lives and security against injury are too sacred to be denied because of alleged cost, and it's only an alleged cost."

Mr. Farquharson also argued that the railroads now had more men repairing equipment than ever before due to the large amount of damage caused by long trains. He went on to deduce that if the roads have to run more trains, the cost will be less because the cost of repairs will be less since fewer trains will be damaged due to inability to adequately control long trains.

Despite Mr. Farquharson's plea for support of the bill on a safety basis, he closed his written statement by saying, "And now, gentlemen, who paid for the heavier locomotive? Surely there can be no doubt in the minds of anyone that the employees, who were thrown out of service without any consideration as to where they would go to find other employment, are the ones who actually paid for the heavier locomotive."

Representative Boren asked Mr. Farquharson whether or not, in the table of accident statistics which he presented to the committee, he had considered any accidents on trains having less than 70 cars. He replied that he had not in view of the fact that the bill called for a 70 car limit. Representative Wadsworth of New York questioned the witness regarding the Arizona train limit law which has been on the statute books since 1912. Mr. Farquharson said that it was now operating with the result that trains having more than 70 cars have to be split up upon entering the state of Arizona.

Representative Boren again wanted to know whether or not the witness thought enactment of the bill would tend to increase the hazards of grade-crossing accidents.

(Continued on page 196)

Simplifying Interline Accounts*

Pre-headed abstract plan for carload traffic eliminates necessity for continued re-computation on shipments which are repeated periodically

By Noah Garner

Auditor of Freight Accounts, Southern

FOR many years the chief problem of those responsible for railroad accounting has been the task of stating settlements between carriers. From time to time much progress has been made but it is not strange that we should still be seeking a more effective and economical procedure for stating interline settlements.

The following outline describes a plan under which, it is believed, an account may be initially so stated that its integrity will not thereafter be assailed through the necessity of subsequent audit and re-audits. The purpose has been to simplify the initial work, and, at the same time, to save the cost of doing the same job over and over again.

Why Do a Calculating Job Over and Over Again?

The effect of this plan is to save the cost of a continuing revision from month to month of repeated traffic movements of identical character. That is to say, if there is a shipment of any given commodity from New York to Atlanta, Ga., in the month of January and that movement is repeated frequently, this plan provides that when a rate is checked and the divisions are stated on the first movement in January, the information will be preserved for application to subsequent movements without the necessity of again referring to tariffs and division sheets, as is largely the custom at present. When divisions on the repeated traffic are once established and verified, and accepted by interested carriers as being correct, it follows that the more difficult waybills covering mixed shipments, freight accorded transit privileges, government freight, etc., and non-repeating movements will receive much better revision attention than they do at present when they move with the mass of waybills that are the same from month to month.

After the interline received waybills have been received in the audit office, agents' accounts cared for, and the necessary road controls prepared, they are then ready to flow through some plan of rating and abstracting. It is generally customary for rates to be checked from the face of waybills and for divisions to be inserted on the face of waybills prior to listing, or on the abstracts after waybills have been listed.

The plan here suggested contemplates using pre-headed abstracts for carload waybills with waybills matched against the pre-headed abstract file by junior account clerks. Only those waybills for which a pre-headed abstract has not been prepared have to be passed to the revising force for handling. Of course, for the first month it is necessary to send all of the interline received carload waybills which are being handled by this plan to the revision department for a check of rates, author-

ity for rates, the divisions and authority for same—all of which are shown on face of the waybill.

After revision clerks have shown this information on the face of waybills, account clerks then prepare a memorandum showing stations waybilled from and to, routes, rates, and the published rates and divisions—this being then passed to calculating machine operators who reduce traffic divisions to percentages and also to cents per cwt.

Printing the Abstract Stationery

Next in order, a stencil is made from which the abstract stationery is printed. On this stencil stock information and horizontal and vertical rulings have already been cut by the use of a special plate. The stencils are placed in a typewriter and are completed to show: Audit Number, Name of Waybilling Carrier, Number and Name of Commodity, Station Number and Name Waybilled From, Station Number and Name Waybilled to, Route, Through Rate, Authority for Rate, Divisions as Published, Divisions Reduced to Percents, Divisions Stated in Cents per cwt., Authority for Divisions.

After the stencil has been typed and verified it is then placed on the drum of a reproducing machine and 60 pre-headed abstract sheets are produced therefrom following the printing of the stationery, and from the same stencil, two or more cards are printed—one to serve as an index card for the destination carrier to be used as further explained in the matching of waybills with the stationery, and the other card to be furnished to the forwarding carrier for the purpose of securing concurrence in the divisions used. It also serves as a unit index file permitting the verifying of the correctness of abstracts by clerical forces rather than by revision clerks. Each intermediate carrier is likewise furnished with an index card. It requires only 5 minutes to complete a stencil and to print therefrom 60 copies of abstract sheets.

All accounting information of any importance pertaining to the shipment is printed on the pre-headed abstract. In other words, the intermediate and waybilling carriers are as fully advised as to the facts pertaining to the shipment, with the exception of the name of consignee and consignor, as the destination carrier who retains the original waybill. It is also possible under this plan, and without any additional cost, to show the commodity number as well as name, which greatly facilitates the compilation of carload statistics for all participating railroads. Many roads at the present time find it necessary to code the abstracts for statistical purposes.

The interline received carload waybills are passed daily or periodically, as may be desired, to junior account clerks, who match the waybills as to forwarded and received stations, commodity, route and rate against the

* Abstracted from a paper presented at a recent regional meeting of railway accounting officers.

pre-headed index card file. (The pre-headed index card is produced from the same stencil as the pre-headed stationery or abstract forms.)

Matching Waybills with Index File

Each of the pre-headed abstract forms, as well as the pre-headed index cards, carry an audit number, the first four numerals of which indicate the number assigned to the particular movement of traffic, the suffix indicating the route. The audit number is placed on the face of the waybills, and the waybills are accumulated until the close of the month. When discrepancies are detected in the process of matching waybills against the pre-headed index card file, correction notices are issued at once. Under this plan the revision of waybills is not delayed until the close of the month. Revision can be carried on throughout the month and correction notices issued and dispatched to agents without any more delay than under the present plan of rate revision of waybills by general audit offices.

Those waybills for which there are no pre-headed index cards are sent to the revision department for check of rates, information as to divisions, and authority for both rates and divisions, in order that the pre-headed index cards and a set of pre-headed abstract forms may be prepared by use of the stencils.

At the close of the month waybills are assorted in audit number order and returned to the junior account clerks for the matching of the audit number on the face of waybills with abstract forms carrying the same audit number. Sufficient sheets for the listing of waybills for each movement are taken from the stationery file, and the abstract sheets are interwoven between the waybills.

Division Status Shown by Color of Paper

White abstract sheets are utilized for abstracting waybills for which agreed divisions exist, yellow abstract sheets for waybills on which temporary divisions (pending I.C.C. dockets) are to be applied, and green abstract sheets for waybills on which divisions are in dispute. Railroads may agree to waive the issuance of statements of differences and let the color of the abstract sheet indicate that adjustment is pending.

In order to determine the repeating characteristics of the various movements, account clerks indicate on the pre-headed index card the audit month at the time waybills are matched with the pre-headed abstracts. Also at the time waybills are matched with abstracts, the account clerk estimates the quantity of stationery on hand and, if the supply is running low, lifts one of the pre-headed abstracts from the file, indicates across its face that a new supply should be printed, and passes it to the force engaged in setting up the pre-headed abstracts in order that the stationery supply may be replenished. In other words, it is preferable to maintain a check on the stationery file from month to month rather than to set a specific time for a review of the stationery file as a whole. In reproducing the stationery the same stencil is used as was employed in printing the initial run of abstract sheets.

After each set of abstracts is printed the stencil is carefully lifted from the drum of the reproducing machine and placed between blotting paper, the blotter completely absorbing all ink and leaving the stencil dry. The audit number of the stencil is placed in the upper left-hand corner of the stencil binder and it is filed in audit number order for subsequent use. To preserve the stencils, it is absolutely necessary that they be thoroughly dried.

After the pre-headed abstracts have been interwoven

between the waybills at the close of the month, waybills and abstracts are then placed with listing machine operators for the purpose of listing waybills. That is, the operator shows in the body of the abstract the waybill date and number, weight, freight, advances and prepaid, also a total of weight, freight, advances and prepaid for each abstract.

How Revenue Is Assigned to Participating Carriers

Next in order, abstracts are placed with calculating machine operators for the extension of proportions due interested carriers. The cents per cwt. for each line are applied against the total weight and the result is posted opposite the name of each carrier. The total of the proportion column of the abstract should equal the total freight charges and, if such is not the case, the abstracts are sent to account clerks to reconcile all differences.

The application of the cents per cwt. to the total weight performs six distinct functions in one operation, to wit: (1) it verifies listing of weight, and (2) freight, (3) verifies addition of weight, and (4) freight, and (5) verifies extension of freight charges on waybill with the final result of (6) establishing each line's proportion.

The verification of extensions on interline received waybills under this plan is deferred until the end of the month. In this way extension is more economically performed, since extensions of all like waybills for a given movement are verified in one machine operation.

After abstracts have been extended they are then listed on the recapitulation of abstracts and the account is handled as usual.

This plan hopes to consummate a long-sought-for goal, namely, an account initially stated correctly that will avoid the necessity of repeated audits and re-audits. The elaborate headings of abstracts which ordinarily require so much time of the typing forces are mechanically placed on the abstracts, obviating the opportunity for error in the manual operation from month to month by typing machines. The information shown in the body of the abstract, that is, waybill date and number, weight, freight, advances and prepaid may be placed on the abstracts by the use of a machine, providing maximum speed.

Simplification of Divisions

Much has been said with respect to the simplification of divisions. This plan enables the restating of difficult formulas into percentages and cents per cwt., thus simplifying the application of divisions.

The question may arise as to the amount of time and effort expended in keeping abreast of the changes in rates and divisions. Most all of the larger carriers have already set up a large number of their division formulas on cards of some kind and it would certainly require no greater effort to keep abreast of changing pre-headed abstracts as is now done with the changing of formula cards or whatever basic file is maintained to aid in the application of divisions. The only loss sustained would be in scrapping stationery covering the movements for which rates and divisions are changed—hence the reason for not printing too large a stationery supply for any one movement. Any loss in stationery cost would be small.

We should not permit the fact that there will be changes in rates and divisions to defeat a plan as far-reaching as this one, because general changes in rates and divisions are few and far between. The more or less restricted or individual changes in rates and divisions are here today and done with tomorrow, but the rating and abstracting of waybills goes on forever.

Undoubtedly space is required for filing the pre-headed abstracts. More and more filing space, is however, becoming available in our audit offices due to the adoption of simplified methods in the compilation of our interline accounts for l.c.l. traffic on the basis of road-to-road percents. More filing space is being made available through simplification of the l.c.l. audit than is necessary to take care of the pre-headed abstracts on carload traffic.

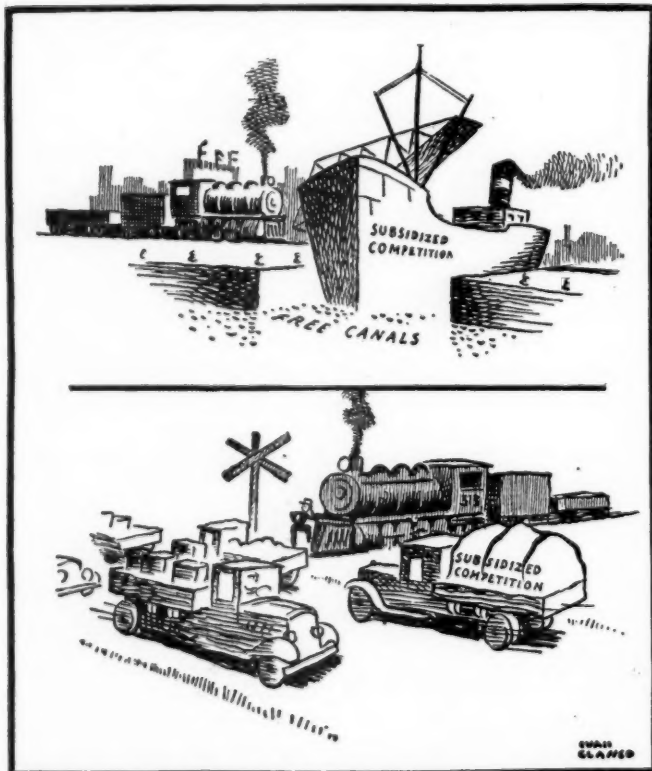
A question may arise as to how to determine the repeating character of new movements. Preparation of an extra copy of each abstract on carload traffic, to be placed in loose-leaf binders for a period of six months or a year, will indicate over a period of time the new movements for pre-headed abstracts. The ideal plan, however, is to pre-head all movements for, say, a period of a year and thereafter add only the new movements that consistently repeat themselves.

Helps Originating and Intermediate Carriers Too

The proposed plan will be conducive of considerable saving once it is in operation. There will necessarily be some attending additional cost in establishing the setup. Savings in revision work will, however, occur from the time of the plan's installation.

The maximum saving will, of course, not be realized until the plan is generally adopted. The above outline has for the most part dealt with stating of the account by the destination carrier. Under this plan the account is initially set up on a correct basis not only for the destination carrier but for each intermediate carrier and the originating carrier as well. In other words, the destination carrier will save revision costs by matching each month's waybills against the pre-headed index card file, and the intermediate and originating carriers will likewise save in revision costs by matching the pre-headed abstracts against the card file, instead of having them checked by revision clerks.

* * *



Evan Glasco, in the Hamilton (Ont.) Spectator

"Your Money in Competition With Your Job"



The Pleasing Interior of a Lounge Car Built Recently for the Missouri-Kansas-Texas by the American Car & Foundry Company

Hearing on Train-Limit Bill

(Continued from page 193)

He said that he didn't see that grade-crossing accidents had anything to do with the case, pointing out the fact that legislation will not keep fools from trying to beat trains to the crossing or running into the sides of them. He also parried this question by asserting that the federal government was working for the elimination of grade-crossings by appropriating money for this specific purpose.

In response to a question by Representative Mapes of Michigan, Mr. Farquharson said that the railroads had generally cooperated with the trainmen in the matter of eliminating hazards in their work. He went on to say that he did not believe that this bill would eliminate all accidents due to the operation of trains, but that it would go far in eradicating those caused by inability to operate trains longer than 70 cars.

"Out-of-Town" Hearings In the Freight Rate Case

(Continued from page 186)

that maintenance of efficient railroad service is more important to the shippers and public generally than is a 15 per cent increase in rates; that the railroads, as a whole, must have more revenue if the existing efficient transportation service is maintained; that the logical way for the carriers to obtain additional revenue is by increasing the price of the thing they have to sell, just as other industries do; that by increasing the revenue of the railroads, they will be placed in a position to spend money for improvements and replacements, thereby stimulating business and industry generally; that the resultant stimulation of business and increased employment will more than compensate for the additional freight burden; and that the increase will ultimately be borne by the entire consuming public rather than by individual producers or shippers, inasmuch as transportation costs always enter into the cost of the commodity or article.

Erie Seeks to Reorganize Under 77 B

THE Erie Railroad Company filed a petition in the United States District Court at Cleveland, Ohio, on January 18 for permission to reorganize under Section 77 B of the amended bankruptcy act. The application was signed by Charles E. Denney, president, who said that a "tremendous drop in earnings" between August and December 1937, had placed the Erie in a bad financial plight and it was filed following authorization by the directors on the same day. The court issued an order permitting the road to be operated under its present management and set February 14 for a hearing on the appointment of trustees.

Decision to seek reorganization under Section 77 B of the amended bankruptcy act followed a series of events which had their inception last summer and was the climax to the railroad's failure to secure a loan of \$6,006,000 from the Reconstruction Finance Corporation to meet current needs. During the summer gross revenues of the road began to decline in the face of rising operating expenses, with the result that unpaid vouchers began to accumulate as far back as July.

On December 13 the Erie filed an application with the Interstate Commerce Commission for permission to borrow \$6,006,000 from the Reconstruction Finance Corporation, the proceeds to be used to pay vouchers, principal and interest on equipment trusts, taxes and sinking funds. On December 29 the commission approved the loan, subject to the condition that the Chesapeake & Ohio either guarantee payment of the Erie loan or deposit collateral, which, taken with the Erie collateral offered for the loan, would be accessible to the R. F. C., and on the same day approved the C. & O.'s application to acquire the Erie.

The commission refused to modify the condition for the loan and the Chesapeake & Ohio declined to assist the Erie, stating that "the board regards that its first and most important duty to the public and to security holders is to maintain unimpaired the C. & O. resources, especially in view of the uncertainties of business conditions and their relation to the railroad situation." Jesse H. Jones, chairman of the Reconstruction Finance Corporation, criticized the C. & O. for its refusal to assist the Erie by lending it securities to the value of \$2,500,000, stating that "it is well known that the Chesapeake & Ohio is easily able to assist the Erie in this small way and its failure to do so brings into serious question its right to own control of the road."

As a result of its inability to secure the loan, the Erie defaulted in payment of interest on six bond issues, of principal amounts totaling \$135,514,150 on January 3 and was without available cash to meet matured bills for materials and supplies, payrolls, and other operating expenses. On January 15 it defaulted on interest payments on equipment trust certificates.

The petition disclosed that the railroad would fall short by \$8,465,272 of the amount required to meet maturities, interest and operating expenses up to March 1, 1938. Principal maturities, interests, leased line rentals and equipment trust payments falling due between January 1 and March 1 amount to \$10,071,062, including \$2,011,239 in interest on outstanding debts and \$4,616,000 principal amount of third mortgage bonds of the New York & Erie railroad.

The net cash balance of the road, as of January 15, according to the petition, was \$2,116,330. Cash receipts to March 1 from all sources were estimated at

\$10,102,955, whereas necessary operating expenditures and taxes up to that date were placed at \$10,613,495, which would leave a balance of only \$1,605,790 to meet obligations of \$10,071,062. The petition stated that banks holding secured loans of the road outstanding as of January 1 have applied cash balances to satisfy these loans, leaving an aggregate balance of \$1,564,640, exclusive of the \$2,116,330 net cash balance. The petition also disclosed that the road has a large amount of unpaid vouchers for traffic balances, materials and supplies and other expenditures.

The bonded debt of the Erie as of December 31, 1936, amounted to \$371,374,750, of which \$136,300,050 was



The Erie System Consists of 2,426 Miles of Road of Which 1,370 Miles Are Double Tracked

held by or for the company and \$235,074,700 was outstanding with the public. Interest of these obligations amounts to \$10,760,478 annually. Interest on four of these issues totaling \$3,540,850 is payable in January. Also, of these obligations \$4,616,000 of New York & Erie Railroad Company third mortgage bonds mature on March 1, 1938, while collateral notes held by the Reconstruction Finance Corporation, totaling \$9,207,000, mature in February, March and April. In addition to this indebtedness, the Erie pays interest on the bonded debt of leased lines totaling \$967,299 annually. Of this amount \$228,815 was payable in January.

Equipment obligations outstanding totaled \$28,735,000 as of December 31, 1936, of which final payments are due on three issues in April, May and October of this year. The capital stock of the company consists of \$151,216,700 of common, \$47,904,400 of first preferred non-cumulative and \$16,000,000 of second preferred non-cumulative stock.

In 1929 the net income of the Erie amounted to \$11,677,709. This declined to a net income of \$4,171,149 in 1930, a net deficit of \$901,093 in 1931, a net deficit of \$3,142,997 in 1932, a net income of \$531,529 in 1933, a net deficit of \$601,034 in 1934, a net deficit of \$852,400 in 1935 and a net income of \$2,195,014 in 1936. Interest has been paid on its debt throughout the depression but with the help of loans. No dividends have been paid on the first preferred stock since 1931 nor on the second preferred since 1930. No dividends have ever been paid on the common.

The Erie system comprises 2,426 miles of road, of which 219 miles are leased lines, 131 miles are operated under trackage rights and the balance is owned or controlled through ownership of capital stock. Of its 1,370 miles of second track, the longest portion is that extending from New York to Chicago. In addition it operates 38 miles of third track and 38 miles of fourth track. The system serves the states of New York, New Jersey, Pennsylvania, Ohio, Indiana and Illinois.

Of the 36,118,449 tons of freight handled in 1936, 55 per cent consisted of the products of mines, including more than 14,000,000 tons of anthracite and bituminous coal.

Motor Transport Section

Inland Station Five Years Old

Joint off-rail l. c. l. terminal at New York shows steady increase in patronage since its inception

THE Union Inland Freight Station in New York City, serving eight trunk line carriers as an off-rail less-than-carload freight center in the midst of the metropolis' commercial district, enjoyed its largest volume of railroad merchandise shipments in October, 1937, when 16,300,000 lb. of l. c. l. shipments passed over its platforms. This month represented the fifth anniversary of the station's operation (it was opened to traffic on October 1, 1932) and constituted the culmination of a steady rise in volume of shipments which the station enjoyed since its opening, despite the fact that it was placed in operation in the very bottom of the business depression. By an agreement with eight trunk line carriers entering New York City, concluded on December 31, 1930, the Port of New York Authority, a public corporation formed under the direction of the states of New York and New Jersey to facilitate transport in the port district, erected a large 16-story building covering the entire block between Eighth and Ninth avenues and Sixteenth and Fifteenth streets, in the heart of the New York commercial district, the ground floor and basement of which were constructed to serve as a union off-rail package freight station for the signatory carriers.

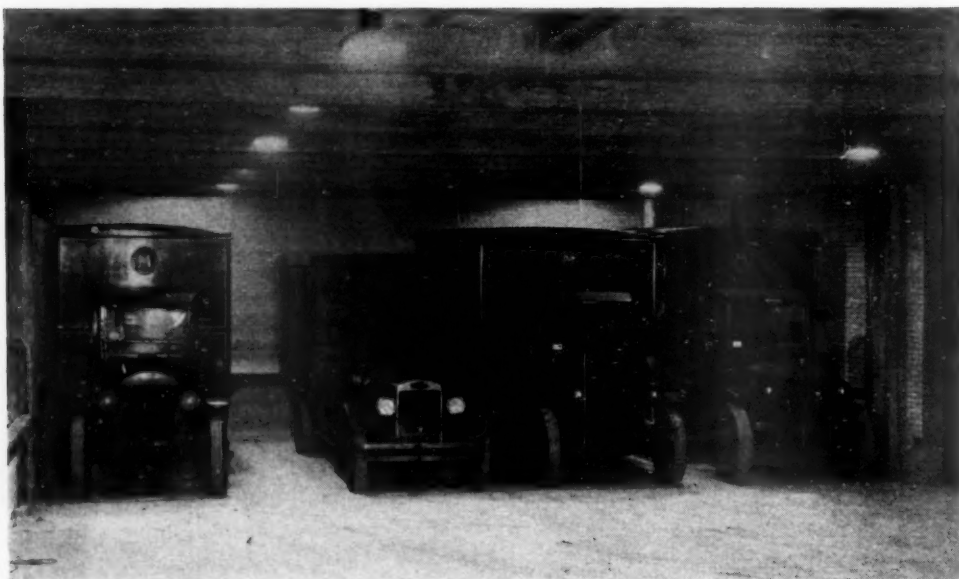
Description of the Platform Floors

These two floors comprise about 215,000 sq. ft. of platform and truck areas. The ground floor, which was

designed for delivery and pick-up of goods by shippers and consignees, comprises a large continuous freight-handling platform at tailboard height, set back on the Sixteenth and Fifteenth streets sides to provide a tailboard loading area accommodating 82 trucks simultaneously and having a covered depth of 28 ft. The basement floor, planned as a concentration point and loading area for railroad trucks, is similar in design to the floor above with the addition of two street ramps at each end. Eight package elevators connect the two floors. In addition, 12 freight elevators connect the basement with each of the 14 floors above, occupied by commercial and industrial tenants, and four elevators, having a capacity of 40,000 lb. each, are provided to carry standard loaded motor trucks from the freight station to building tenants above.

Freight platforms on both floors contain scales, checking offices and other facilities usual to freight houses. The office headquarters of the union station are located on the Ninth Avenue end of the building in the basement and on a mezzanine floor between the first floor and the basement.

The freight station is operated under the supervision of a joint agent for the eight participating carriers—namely, the Pennsylvania; the New York Central; the Baltimore & Ohio; the Central of New Jersey; the Delaware, Lackawanna & Western; the Erie; the New York, New Haven & Hartford and the Lehigh Valley. Besides the agent, the station staff comprises an ac-



Trucks Backed Up in an Upper Floor Loading Area

countant, a telephone operator, a stenographer and an average platform crew of 35 men.

Station routine and operating details have remained substantially unchanged since the station was placed in service, with the exception that l. c. l. freight operations have been confined to the ground floor level; the basement, originally planned for use by railroad shuttle trucks, has been used by the Railway Express Agency as a concentration point since July, 1933. Under this revised allocation of space, the shipper and consignees' trucks occupy the tailboard area on the Fifteenth street side of the station, while railroad trucks load and discharge on the Sixteenth street side.

Shippers handle documents and bills of lading through a joint receiving clerk who notes the routing and the initial railroad carrier specified. Shipments received are sorted immediately and placed on platform trailers for movement by tractor across the platform to railroad shuttle trucks operated at irregular intervals between the station and the various railroad piers and on-rail stations. Inbound shipments are received from railroad shuttle trucks at the same tailboard space and classified alphabetically by consignees. All accompanying shipping documents are sent to the cashier's office, where they may be picked up by consignees upon payment of freight charges.

A feature of the station operation unusual in New York is that a shipper or consignee may transport his freight from its location on the platform to his vehicle

Table I—Comparative Tonnages Passing Through N. Y. Union Inland Terminal Freight Station in Peak Month of Each Year (excl. 1932)

YEAR	MONTH	TOTAL TONS	PER CENT INCREASE OVER SEPT. 1933
1933	September	5303	
1934	October	5940	12%
1935	October	6393	21%
1936	October	7360	39%
1937	October	8141	54%

without assessment of charges and without the necessity for hiring public loaders, although the latter may be utilized at the standard local fee. This option is made possible largely by reason of the tailboard height of the entire platform area.



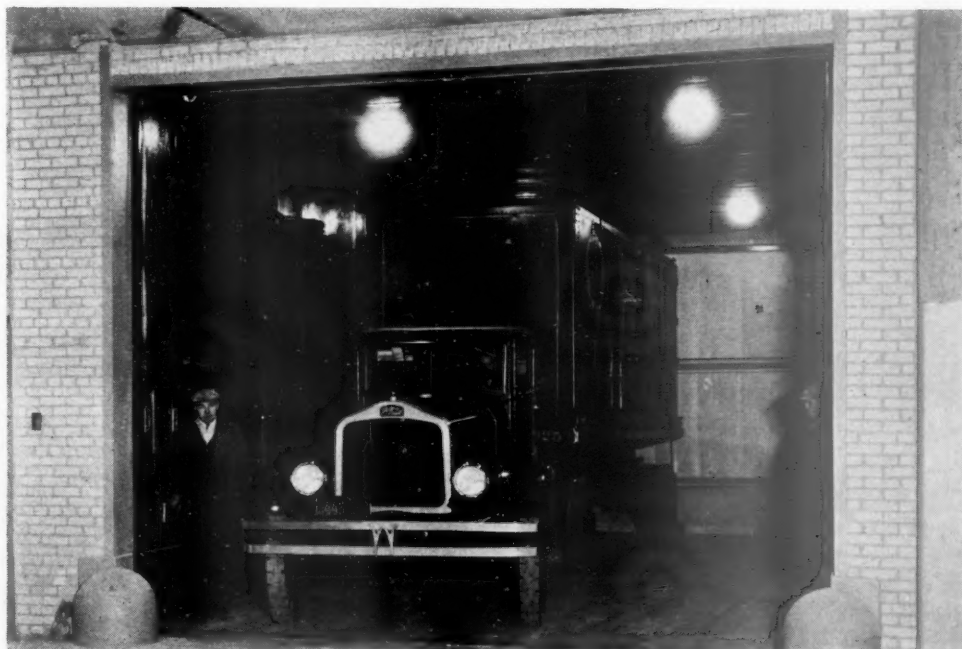
Shipments are Unloaded from Trucks Directly into Classified Trailers for a Trip Across the Platform to Railroad Shuttle-Trucks

In its relation with the union station, the Port of New York Authority now exercises the status of "landlord" solely, although it initiated the project and directed the development of the facility. The carriers merely pay rental for the station on the basis of the tonnage volume of shipments passing over the platforms, and the entire operation of the station is placed under the jurisdiction of a board of managers representing each participating railroad. The shuttle motor truck services connecting the station with the railroad piers and rail heads are operated individually by each carrier. All operations within the station are under the control of the joint agent's office.

Purpose of the Station

The Union Inland Freight Station was designed chiefly to reduce congestion at railroad piers and individual freight stations and to provide a single key point, accessibly located, where shippers might deliver or receive l. c. l. consignments. Since most of the

A Trailer-Tractor Ready to Descend from the Seventh Floor Above the Station



carriers serve the city entirely by scattered piers connected with rail heads by lighterage and car float services, the new union station partly fulfills the need for a central freight station where shippers and consignees might call for or deliver l. c. l. shipments for all roads in one operation. Furthermore, by providing enclosed, protected tailboard space, within an area wholly devoted

Table II—Number of Shipments Passing Through N. Y. Union Freight Station During 1937. (Av. Weight per Shipment—230 lb.)

January	33,555	July	43,158
February	37,453	August	55,251
March	41,635	September	59,788
April	38,295	October	61,547
May	37,475	November	48,328
June	37,298	December	29,182

to truck loading and unloading, the station serves to reduce congestion at railroad piers.

The latter function is well illustrated by reviewing the operations of a single day. On September 30, 1937, 650 shippers' or consignees' trucks backed into the station loading areas. Thus approximately a mile of tailboard space was occupied during the day. Since a total of 2,875 shipping orders were handled by the clerks, an average of 4.4 l. c. l. shipments were handled by each truck. These shipments were consolidated into 90 railroad shuttle-truck movements which required at railheads or pier stations but 14 per cent of the occupancy space held by shippers' trucks at the union station.

It is estimated that the union station handles about one-half of the total l. c. l. freight shipments entering or leaving Manhattan Island south of Fifty-ninth street. This percentage exceeds the estimates reached by Port Authority officers in planning the station.

As has been pointed out above, the volume of goods passing through the station has increased steadily (taking into account seasonal variations). The peak month was October, 1937, when 16,300,000 lb. passed over the platforms. Since the fall months normally constitute the biggest months of any year in l. c. l. volume, comparison with these months of previous years (exclusive of 1932, the first year of operation), as recorded in the accompanying table, serves to indicate the increasing patronage enjoyed by the station. Shipments in October, 1937, exceeded the volume of October, 1936, by 1,600,000 lb. and were approximately five and one-half times greater than in October, 1932, the first month of operation. Of the 16,300,000 lb. passing through the station in October,

1937, 14,070,000 lb. were outbound and represented 61,547 shipping orders. From this it may be computed that 230 lb. was the average weight of each shipment. This average weight per shipment has been found to hold true during practically the whole of the station's existence. The nature of the station's work may well be understood by such a measuring rod.

Only 2,230,000 of the 16,300,000 lb. recorded in October, 1937, represented inbound shipments. New York as a whole is not a heavy receiving point for l. c. l. shipments. Furthermore, the district served by the union freight station is almost entirely given over to large stores, warehouses and distributors' headquarters. The station is thus a concentration point for what is said to be the largest *originating* package freight center in the world. It has been suggested that its volume of inbound shipments is further reduced by the fact that agents at origin points, in preparing bills of lading for goods destined to New York, fail to realize the strategic location of the inland terminal and more often route the goods via the long-established pier stations.

The busiest single day in freight volume in the station was September 30, 1937, when 840,000 lb. passed over the platform and 650 patrons' trucks backed into the loading and discharging area.

Advertising Collection And Delivery Service

FOR 50 years, the Grand Trunk has been operating its "400's" out of Chicago and Milwaukee to Canada and the East, and a booklet advertising the improvement in this fast freight service and the collection and delivery and over-the-road truck service in connection with it has just been issued. This booklet is quite as elaborately gotten up as any issued in connection with passenger service and gives the details as to the runs, including those into Ontario, where a rapidly expanding system of truck operations gives the network of industrial towns in that province a merchandise delivery service equivalent to that provided to Toronto. Details are also given as to the operations at Port Huron transfer, including the manner of customs inspection there; and at the merchandise transfer at Durand, Mich., which is one of the few to remain open 24 hr. daily in order that expeditious delivery may be made.



The Grand Trunk Advertises Its Freight Service Extensively

B. & M. Offers Modern Transportation

Flexible passenger service on branch and secondary main lines requires use of supplementary motor coaches

THE complete winter schedules of the Boston & Maine's passenger service have been issued in a timetable that bears the title "Boston & Maine—Modern Transportation," and includes the train services of the railway, the bus services of the Boston & Maine Transportation Company and the air services of the Boston-Maine Airways. The theory behind this joint issue is given on the timetable cover as follows: "This timetable presents our rail, bus and air schedules, a modern co-ordinated system." In other words, the Boston & Maine as the established transportation agency in the New England territory it serves, is prepared to give the passenger the type of service he wants.

Apart from the desire to give each variety of transportation equal representation, the inclusion of bus schedules is important because of the number of co-ordinated rail-highway runs operated by the B. & M. which have taken care of the problem of providing an adequate, flexible passenger service on the maze of branches and secondary main lines operated by the B. & M. in the thickly settled territory it serves, as indicated on the accompanying map. The transportation company operates a number of routes that compete with the railway's passenger service, but it also operates many other routes that supplement the railway's trains and provide more flexible schedules.

Branch Line Service

On the Manchester-Lawrence branch, for example, only one through train is operated in each direction daily between Boston and Manchester, 53 miles. However, there are three additional trains between Boston and Lawrence, 26 miles, which makes connections with

buses operating between Lawrence and Manchester. There is also a through bus run between Boston and Manchester, thus providing five through services in each direction daily via B. & M.

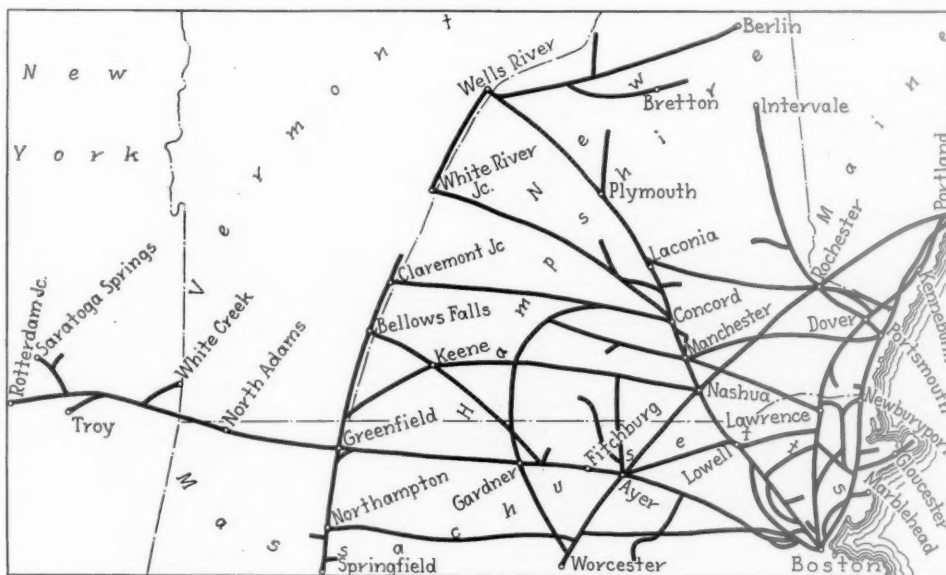
On this, as on other examples cited, regular railroad one-way or round-trip tickets are accepted on the buses, and in many cases, the passenger may arrange for joint monthly commutation tickets. As a matter of fact, the B. & M. makes joint ticket arrangements with some independent bus companies, for example in the suburban service between Boston and Amesbury where the B. & M. operates 10 trains in each direction daily between Boston and Newburyport, and the Massachusetts Northeastern Transportation Company operates an equal number of connecting buses between Newburyport and Amesbury.

Resort Country Served

A wide diversity of routes and services is offered between Boston and the New Hampshire resort country. Several trains are operated daily between Boston and Dover via Lawrence. Several more trains are operated via Portsmouth, thence via connecting buses to and from Dover. Between Dover and Intervale, and between Dover and Laconia, as well as many intermediate points, it is possible to use either train or bus, as may suit the passenger's convenience.

Similar joint schedules are in effect between Boston and Keene, in southwestern New Hampshire, the train service in this case being operated as far as Nashua, N. H. Service between Boston and Claremont, N. H., is equally flexible. Four connecting train services daily are available between Boston and Concord, while be-

The Thickly Settled Territory Served by the B. & M. Required the Building of Many Branch Lines





One of the B. & M. Joint Ticket Offices Featuring Bus, Rail and Air Ticket Sales

tween Concord and Claremont, the two daily trains in each direction are supplemented by two bus schedules. In addition to those mentioned, there are other branch lines where the flexibility and economy of bus service supplements or replaces the steam train service.

As will be seen from the map, the wye formed by the secondary main line between Worcester, Mass., and Ayer, and the two lines between Ayer and Nashua, N. H., and between Ayer and Lowell, are important in the B. & M. picture. This part of the railroad serves many industrial centers. It is also used by certain important through freight and passenger trains between Portland, Me., and New York, as it avoids the busy Boston terminal.

Three passenger trains are operated in each direction daily between Worcester and Lowell, via Ayer. In addition, five daily bus schedules are maintained be-

tween Worcester and Ayer, four of which continue to Lowell, and one to Nashua. In addition, the Ayer-Nashua line is served by two local schedules daily in each direction.

Parallel Bus Routes

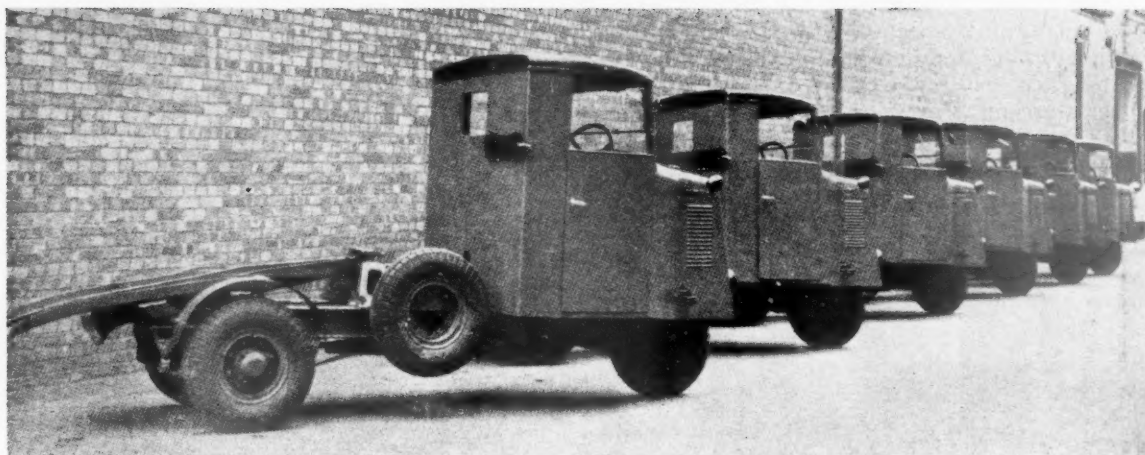
In addition to the branch and secondary main line coach routes, the B. & M. has, for several years, met the demand for motor coach service paralleling its main lines. An example of this is the Boston-Portland service. The railway operates 12 trains in each direction between these points daily, 7 via Dover, N. H., and 5 via Portsmouth, N. H., the former including two non-stop trains, one of which, the streamlined Flying Yankee, makes the 115-mile run in 110 min., or at 63 m. p. h. average speed. Despite the low rates and the fact that the fastest train makes the run in 1 hr. 50 min., as compared with the fastest bus run of 3 hr. 45 min., there is still a considerable public demand for bus transportation, and, in accordance with its policy of providing the type of service demanded, the B. & M. operates 7 through bus schedules in each direction daily, paralleling the main line, via Portsmouth and supplementing the train service.

Columbia Buys Trucks

ON taking over the trucking service for the Missouri Pacific in western Missouri, eastern Kansas and southeastern Nebraska last October, the Columbia Terminals Company increased its fleet by the purchase of 14 Internationals. Twenty additional units of the same type have recently been ordered for this service. These trucks are equipped with vacuum air brakes, bus generators, cab heaters, special cab ventilation, safety glass, special lighting systems, insulated all-steel bodies. They also have a body-ventilating system to prevent dust accumulation and aid in cooling and heating, and insulated and adjustable inside curtains for perishable traffic. The doors are protected by removable stakes and are equipped with locks and seals. Special body lighting arrangements are provided for loading and unloading at night, and platforms and fastenings are included for carrying unusually long merchandise, as well as skids and rollers to aid the driver in handling freight.



Columbia Terminals Recently Ordered 20 of These Trucks Equipped with a Special Body-Ventilating System



The South African Railways Owns a Fleet of 244 Trailers

S.A.R. Rail-Motor Co-ordination

Railways of African Dominion make use of trucks and buses to supplement their service

AS early as 1912, the South African railways entered highway motor transport operation, and for the next 13 years, such services were begun from time to time until, in 1925, a separate department was created to handle rail-highway co-ordination. The present mileage of truck and bus routes amounts to well over 12,000 miles. More than 670 highway vehicles are in railway service.

During the fiscal year ended March 31, 1936, these highway services accounted for gross revenues of £496,781, collected from the transportation of 2,605,803 passengers, 1,377,815 gallons of milk and cream and 421,810 tons of other freight. All three classes of traffic showed increases over the previous year. With operating expenses of £429,916, the 1935-36 highway services earned a net from operations of £66,865.

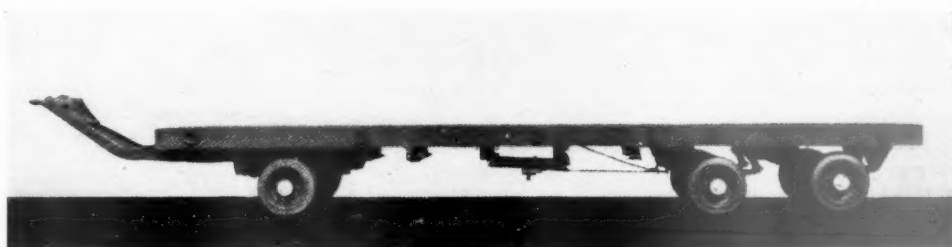
By far the bulk of the freight handled consists of agricultural products, special facilities being provided to meet seasonal peaks. In 1935-36, for example the highway services were called upon to haul 101,740 tons of grain, 24,556 tons of citrus and other fruits, 18,394 tons of wool and mohair, 11,575 tons of salt, and lesser tonnages of some 10 other commodities. Producers of wool, wheat and corn in outlying territories not served by the railway make large use of the railway's motor transport services, and it is by no means uncommon for a tractor and fleet of trailers to handle a pay load of as high as 20 tons of these commodities on one trip from a farm to the railway.

The equipment owned consists of 82 buses, 214 bus-trucks, 129 tractors and 244 trailers. Road motor vehicle mileage totals over five million miles annually. Because of the relatively undeveloped condition of the roads traversed, the operating costs average nearly 40 cents per mile. However, the revenue per vehicle mile averages about 46 cents, so that the venture is a profitable one.

Equipment Used

During 1935-36, 18 power vehicles and one trailer were withdrawn from service, while 63 new power vehicles and 33 trailers were placed in service. In all, 102 new bodies were built and placed in service during the year, 75 being built in the highway equipment repair shops, five by the railway mechanical department and 22 by outside firms. Of the 80 bodies built in the company shops, 28 were for freight and 52 for passenger traffic. All these bodies were of composite wood and steel construction, but indications are that in future construction wood will be eliminated. Up to the end of the year under review, 10 all-steel passenger bodies and six all-steel combination bodies, designed and manufactured by outside firms, had been placed in service. A double-deck trailer for the conveyance of sheep and other small stock was placed in regular service during the year. The possibility of developing the transport of sheep by double-deck truck and trailer was being given

Heavy Trailer Used for Handling Unusually Large Shipments



attention, especially in connection with securing greater pay loads per unit and improving the road-holding qualities of double-deck vehicles so as to enable them to be operated over a greater proportion of country roads.

Unusual Highway Units

Combination units for both passengers and freight have been quite successful as indicated by the ownership of such composite vehicles given above. A large number of these units were built in the railway's shops recently,



Combination Bus-Truck Used in Feeder Service in South Africa

providing accommodation for 13 first-class and 8 second-class passengers, in addition to 5,000 lb. of mail and merchandise. These composite coaches are also equipped to handle a trailer carrying an additional ton of mail or merchandise.

Recently, the railways asked for bids on a large number of trailers of 3, 5, 6 and 10-ton capacity, as the first step in the complete rehabilitation and modernization of its highway freight equipment.

Report of Bureau of Motor Carriers

THE 18-page section devoted to the Bureau of Motor Carriers in the 51st annual report of the Interstate Commerce Commission presents the first full year's report of the activities of this bureau, since some sections of the Motor Carrier Act, 1935, did not become effective until March 31, 1936. The commission states that the bureau, and particularly its field forces, are being handicapped by lack of funds, but adds that determination of the operating rights of the carriers through investigations made by the field force is progressing steadily nevertheless. However, since the number of applications still exceeds the number of decisions, the statement is made that "we hope shortly to announce other procedures which will further lessen the delay which has occurred in disposing of these applications. Means of expediting such work are under active consideration."

The actual status as of October 31, 1937, was as follows:

Applications filed:	
Property carriers	75,977
Passenger carriers	2,842
Total	78,819

Applications referred to field force	75,806
Applications on which field report has been made	24,541
Held pending determination of status (such as pick-up and delivery carriers, local carters, or dual operators)	6,264
Held pending receipt of further information	1,056
Under examination	453
Recommended for dismissal	4,697
Withdrawn	4,713
Orders drawn denying or dismissing application	2,878
Orders drawn granting certificate or permit	4,480
Certificate or permit issued	1,088
Applications awaiting field report	51,265

The report indicates that progress has been made in bringing more uniformity in the various state laws, following the promulgation of federal regulations covering the safety of operation of highway vehicles in revenue service. According to the report, many states have changed or modified their regulations to put them in accord with the federal rulings.

The bureau's section of complaints had a busy year. The principal function of this section is the holding of hearings, other than those relating to finance matters and the handling of all informal complaints except those referred to the section of law and enforcement. A comparative outline of its activities is shown in the following table:

	1936	1937
Formal complaints filed	20	36
Subnumbers	4	6
Investigations instituted	10	12
Investigation and suspension cases instituted	38	194
Cases under submission at end of period	0	18
Cases disposed of, including subnumbers, re-opened cases and cases instituted in preceding year	9	186
Number of cases pending	63	125

The section of law and enforcement deals with violations and alleged violations of the act. These are investigated by correspondence, by special agents, and by the bureau's field force. The status of this section is indicated in the following report:

Number of complaints received	3,626
Average filed per month since Nov. 1, 1936	302
Number of complaints closed (including a part of the 3,249 complaints received prior to Nov. 1, 1936)	2,350
Average closed per month since Nov. 1, 1936	196
Average accumulation of cases per month since Nov. 1, 1936 ...	106
Number of violations, by type:	
Operating without authority	2,011
Nonobservance of rates and charges on file	1,332
Unification without authority	94
Nonobservance of safety regulations	3
Insurance requirements	12
Accounting requirements	9
Miscellaneous	349
Total (including complaints charging more than 1 violation)	3,810

Complaints:

Investigations concluded and reviewed (including cases received prior to Nov. 1, 1936, but handled during the current year)	2,350
Investigations concluded, not reviewed	488
Under investigation by special agents or field staff, or awaiting investigation or other disposition	1,788
Total	4,626

Cases involving litigation:

Recommended for litigation:	
Civil	23
Criminal	127
Total	150

Court cases instituted:

Civil	20
Criminal	76
Total	196

Court cases completed:

Civil	13
Criminal	39
Total	52

Cases awaiting institution:

Civil	3
Criminal	51
Total	54

Other features of the report were outlined in the *Railway Age* of January 8, 1938, page 120.

N. C. Bus Operation

AS passenger business fell off on the Yadkin, a subsidiary of the Southern, the answer was found in the use of motor coaches. The Yadkin Coach Company was formed as a bus-operating subsidiary of this 47-mile line, including a 7-mile branch, to take over the entire passenger service. Two daily schedules are operated in each direction between Salisbury, N. C., on the Southern's main line between Washington and Atlanta, and Norwood, 40 miles. One daily run in each direction is a direct run, making the 40 miles in 1 hr. 20 min., including 10 local stops enroute. The branch line service is taken care of by running one schedule in each direction along the main line to Albemarle, thence along the branch to Badin, 7 miles, returning to Albemarle and continuing along the main line to the terminus. The schedules are so arranged that the entire service, including the branch line trip, may be made by one bus and at the same time the passengers are given better and more frequent service than would be economical with the use of steam trains. These coach operations are under the supervision of the superintendent of the Yadkin, who also serves as superintendent of the Carolina & Northwestern, which is another subsidiary of the Southern Railway.

Serving Central Nevada

THE Nevada Central, a narrow gage line 93 miles long, operates 9 buses and 3 trucks over 453 miles of highway. The highway subsidiary, the Nevada Central Motor Lines, was built up to serve a large area in central Nevada that was without east-west railway service, as shown in the accompanying map. This rail-highway subsidiary is unique in that it does not parallel the parent railway at any point, but fans out from the southern terminus of the railway.

Moreover, except for a few miles into Reno, it does not parallel any competing railway, although it extends al-

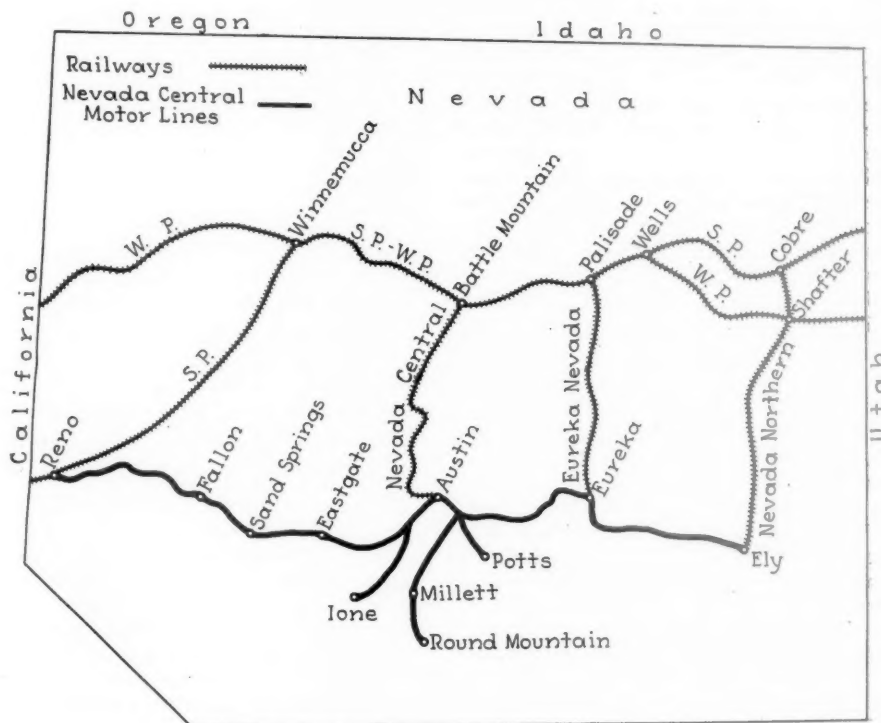
most across the state of Nevada from the California to the Utah border.

As a general rule, the mountain ranges in Nevada, and hence the valleys, run north and south. Because of the expense of constructing a railway across the ranges, and further because of the sparse population, only two railway lines cross Nevada east and west, the Southern Pacific and the Western Pacific, both in the northern part of the state, the only section where east-west railway construction is at all feasible. As a matter of fact, for over 300 miles, between Wells and Winnemucca, these roads parallel one another so closely that they are operated as a joint double-track line.

Under the circumstances, east-west railway travel between central Nevada points was extremely circuitous. For example, to go from Ely to Austin by rail it is necessary to go north on the Nevada Northern to Cobre, 140 miles, thence west on the Southern Pacific to Battle Mountain, 169 miles, and then south to Austin on the Nevada Central, 92 miles, a total of 401 miles, as compared with the highway distance via the Nevada Central Motor Lines of 149 miles. Similarly, the rail route from Eureka to Austin is north via the Eureka Nevada to Palisade, 85 miles, west via the S. P. to Battle Mountain, 50 miles, south via the N. C. to Austin, 92 miles, a total of 227 miles, as compared with 70 miles via the N. C. Motor Lines.

Service into Austin from the north is maintained via the railway, with a schedule in each direction daily protected by rail motor cars, and freight service as required. In all other directions from Austin, however, transportation service is taken care of by the highway subsidiary. These services include regular schedules between Austin and Reno on the west via Eastgate, Sand Springs and Fallon, 156 miles; between Austin and Ione on the southwest, 47 miles; between Austin and Round Mountain to the south, via Millett, 77 miles; between Austin and Potts on the southeast, 24 miles; and between Austin and Ely on the east, via Eureka, 149 miles. In this manner, the Nevada Central, one of the pioneers in providing central Nevada with transportation service, continues to meet the needs of the area it serves.

How the Nevada Central Motor Lines
Serve a Large Area



NEWS

Railroads To Get Coal Price Data

Coal commission decides to release "confidential" information

The question of whether the National Bituminous Coal Commission should make available to Consumer's Counsel the "confidential" data supplied by coal producers which was used in establishing minimum prices was settled on January 17 when the commission ordered all such information to be opened to Consumer's Counsel beginning January 19. The decision was announced by Milton Carr Ferguson, of the legal division of the commission, during the hearing on the petition of the Association of American Railroads, the American Short Line Railroad Association and Consumer's Counsel asking that the order establishing and effectuating minimum prices for railroad coal fuel be set aside.

Before requesting the commission to accept an amended petition for filing, J. Carter Fort, general solicitor of the A. A. R., asked that the order establishing minimum prices for railroad locomotive fuel be set aside. He said that he did this on the ground that the facts upon which the prices were based had not been made available. Mr. Fort asserted the railroads he represented annually consumed 90,000,000 tons of locomotive fuel, and that the minimum prices fixed for such fuel were "higher than reasonable minimum prices." Contesting the motion that the whole order establishing such prices should be set aside, Robert W. Knox and Mr. Ferguson, general counsel of the commission, stated that numerous hearings had been held before the establishment of prices. Attorney Allan Coe, representing Consumer's Counsel, asked that all data on minimum prices in production districts 1 to 13 inclusive be placed on the record.

Retirement Board Lay-Off

Lack of funds has forced the Railroad Retirement Board to lay off about 350 employees, it was learned last week. This action resulted in the discontinuance of one of the three shifts whereby the board has been operating on a 24-hour basis during the past several months. Meanwhile Representative Johnson of Minnesota has introduced in the House of Representatives a bill to appropriate \$850,000 or such proportion thereof as may be necessary to maintain until June 30 the board's January 1 staff of employees.

'Raus Mit Holding Companies, F. D. R. Decrees

Questioned by newsmen at his January 14 press conference, President Roosevelt expressed in no uncertain terms his determined opposition to all holding companies. He told his hearers that he could see no good in holding companies *per se* and went on to say that he was convinced that they must be eradicated for the good of the country. He was asked whether or not he meant first-degree holding companies, and he replied that he could see no justification for that type any more than he could for those of a more attenuated nature.

This statement on the subject coupled with Senator Wheeler's frequent expressions of condemnation make it virtually certain that there will be legislation introduced by Senator Wheeler which will have as its aim either the outright abolition of all rail holding companies or drastic emasculation of their powers. The President was asked whether he thought the remedy was the punitive use of the taxing power, but his answer was that he did not know at this time which method should be utilized to accomplish the desired end. In the case of railroads, the legislation would probably take the form of either absolute prohibition of holding companies acquiring or dealing in railroad securities or much more stringent regulation of their activities by the Interstate Commerce Commission.

At his January 18 press conference, the President indicated that he was not referring to all holding companies, but declined to offer a definition of the kind he would eliminate.

New England Governors Intervene in Southern Rate Case

Governors of the six New England states have been authorized by the Interstate Commerce Commission to intervene in No. 27746, The State of Alabama et al, v. New York Central Railroad Company et al. This is the complaint of the Southern Governors Freight Rate Conference alleging that Southern freight rates result in undue prejudice against that section.

Railroads Urge Tax Exemption

Spokesmen for carriers want relief from four per cent penalty

The Class I railroads of the country, represented by Judge R. V. Fletcher, vice-president and general counsel for the Association of American Railroads, appeared before the House Ways and Means Committee on January 18 to urge that they be given the same treatment with respect to the undistributed profits tax as was recommended for banks and insurance companies in the report of the Ways and Means subcommittee released at the end of last week. If the recommendations of the subcommittee are followed, the railroads would be given the same treatment as other large corporations, that is, they would have to pay a flat rate of 16 per cent on their net profits and a penalty of four per cent if they do not distribute a certain percentage of their profits in the form of dividends. Judge Fletcher contended that in view of the fact that the committee had recommended to exempt banks and insurance companies from the extra four per cent penalty because of the fact that they were required to maintain certain reserves and were highly regulated, the railroads should receive the same treatment, since they were probably the most regulated industry in the country. He went on to say that the railroads were not entirely satisfied with the 16 per cent rate proposed by the subcommittee, but they were thankful for the changes that the subcommittee had made in the law from what it is at present.

While Judge Fletcher was presenting his case and advocating a reduction in the penalty tax, Chairman Doughton, of North Carolina, told him that he would be more helpful if when he suggested a change in the law, he would suggest a new source of income and went on to say that the problem of the committee was primarily to raise enough money through taxes to balance the budget of the government. Judge Fletcher said that he would like to be able to do that, but that he did not think that he could be very helpful on this subject.

Judge Fletcher told the committee that in view of the fact that the rates of the railroads were fixed by one commission and the wages and costs of materials were fixed by other public bodies, it could hardly be contended that the carriers were exactly a free industry able to make whatever

profits their skill and ingenuity would bring forth. He asserted that there was no need for the undistributed profits tax as there was no record of a case where a railroad had withheld dividends. In answer to a question by Representative Vinson of Kentucky, Judge Fletcher stated that the bond charges are so large that few railroads could have a surplus in their treasuries. Representative Crowther of New York read into the record the recommendations of the Interstate Commerce Commission in its annual report for 1936 in which it came out flatly against the undistributed profits tax as applied to railroads.

Representative McCormack of Massachusetts questioned Judge Fletcher regarding his views on consolidation in an attempt, he said, to get information for himself. Judge Fletcher said that he favored what he termed a "natural" consolidation, but that he felt a fixed or unnatural consolidation as gotten up by the commission in 1929 would never succeed and was a bad thing for the industry. He then went on to give what he considered the reasons why the policy of consolidation as laid down in the Transportation Act of 1920 did not succeed in bringing about the desired result. First, he said that the railroads should have been allowed to work out a plan along natural lines and should not have been forced to subscribe to a fixed plan such as that prescribed by the commission. Next, he pointed out that railroad labor felt that consolidation would cause many of the employees to lose their jobs. Also, he felt that one of the major forces working against it was the force of public sentiment. Many of the small towns situated on major lines would protest if they felt that their railroad service was going to be curtailed in any way. Judge Fletcher closed his discussion of consolidation by telling Representative McCormack that he thought the principle of wholesale consolidation was of a very dubious nature.

Ninian J. Beall, general counsel for American Trucking Associations, appeared briefly before the committee urging that the trucking industry be given exceptional treatment and relieved of the penalty burden of the undistributed profits tax. He said that he represented 85 per cent of the trucking business and asserted that 90 per cent of the corporations in the industry were owned by less than 10 people. He stated that the trucking companies wanted to be relieved from the penalty of not distributing profits so that they could turn them back into the business to expand and purchase new equipment. He warned that unless this was done, they would have to resort to issuing bonds and stock which they had not done to date. He also asserted that unless they were relieved from the tax, they would not set up reserves to carry on in times of a recession, thereby being forced to lay off large numbers of men.

Samuel O. Dunn, editor of *Railway Age* and chairman of the board of the Simmons-Boardman Publishing Corporation, appeared as a witness for the National Conference of Investors, taking the position that the undistributed profits tax is detrimental to the best interests of the railroad industry in that it prevents or retards the

reinvestment of earnings in the industry in the form of fixed capital. Mr. Dunn said that "in the 20 years from 1916 to 1936 the total investment in our Class I railroads increased about \$8,200,000,000—from about \$17,600,000,000 to about \$26,000,000,000. During the same years their net capitalization—that is, the total amount of their securities actually outstanding in the hands of the public—increased only about \$2,000,000,000—from \$16,300,000,000 to \$18,300,000,000. Of this increase, \$1,400,000,000 was interest bearing securities and about \$600,000,000 was stock. The difference between these figures shows that an investment of \$6,000,000,000 was made from net income—'undistributed earnings', if you please." Mr. Dunn went on to point out that whatever taxes "had been levied on that six billion dollars probably would have reduced by that much the amount invested from earnings."

Nelson Trotman, general attorney for the Chicago North Western, urged that railroads in receivership be exempted from the four per cent penalty included in the undistributed profits tax. George H. Houston of the Baldwin Locomotive Works of Philadelphia, appeared in opposition to the tax.

Publication Describes Empire Railways

The Railway Gazette (33 Tothill street, London, S.W.1) has recently published an "Overseas Number," containing 128 pages of editorial text, with copious illustrations, giving operating, traffic and other descriptive data on the railways of all parts of the British Empire (except Great Britain itself). Railways of some foreign countries also (such as Argentina), where railways are largely British-owned, are included. The issue is priced at 2 shillings.

Rules Governing Cattle Rates

The Interstate Commerce Commission, Division 3, has found not justified the proposed revision of rules governing carload rates on cattle in mountain-Pacific territory and between points in that territory on the one hand and points without that territory on the other. The decision in I. & S. No. 4385, Rules Governing Stocker or Feeder Cattle Rates, is without prejudice to the filing of new schedules "containing provisions essential to clear and definite rates and regulations."

Would Forbid "Jim Crowing" of Interstate Passengers

Representative Mitchell, negro Congressman from Illinois, has introduced in the House of Representatives a bill (H. R. 8821) which would amend the Interstate Commerce Act so as to make it unlawful "to segregate any persons traveling as interstate passengers on any carrier subject to the provisions of this act, or in railroad stations, waiting rooms, rest rooms, lunch rooms, restaurants, dining cars, or in any other accommodations provided for passengers traveling interstate, on account of such passengers' race, color, or religion."

There is now pending before the Interstate Commerce Commission Mr. Mitchell's complaint alleging that he was discriminated against when he was forced to give

up his Pullman compartment for a seat in a "Jim Crow" car when a train on which he was traveling from Chicago to Hot Springs, Ark., entered Arkansas. Hearings on the complaint have been set for March 8 before Examiner Disque at Chicago.

Rules for Explosives

The Interstate Commerce Commission, by Commissioner McManamy, to whom the matter was referred, has issued another order in No. 3666, prescribing certain new and amended regulations for the transportation of explosives and other dangerous articles.

Harriman to Address New York Bond Club

W. A. Harriman, chairman of the Union Pacific, will address the Bond Club of New York at its next luncheon meeting, to be held in the New York Bankers Club on January 28. His subject will be: "A Businessman Looks at Washington."

Hearing on I. C. Petition to Drop Automatic Train-Stop

The Interstate Commerce Commission has assigned for hearing on February 10 at Washington, D. C., the petition of the Illinois Central for authority to discontinue operation of the automatic train-stop and two-indication cab signal devices on its 122-mile line between Champaign, Ill., and Branch Junction. The I. C. proposes to substitute "the protection of modern, three-indication color-light automatic block signals of the searchlight type on the wayside."

German Railways' Pictorial Calendar

The German Reichsbahn has again, for 1938, issued its handsome pictorial calendar—160 pages, each of which contains a reproduction of an excellent photograph depicting some scene in connection with the operation of the German railways. Shops, stations, bridges, locomotives, track maintenance, yards, electrification, and scenery—all are represented with brief explanatory text. The calendar is published by the Konkordia Verlag, Leipzig, and is priced at 3.20 reichsmarks.

Express Agency Business Up Seven Per Cent in 1937

The Railway Express Agency handled a total of 140,763,249 shipments in 1937, a gain of approximately 7 per cent over the previous year, according to preliminary estimates. Up to and including December, 1937, the agency enjoyed a monthly increase in shipments for each of 48 successive months since 1934. Despite the tapering off of business during the final quarter of 1937, L. O. Head, president of the Agency, has set a quota of 9 per cent more shipments for 1938, or a total business in excess of 153,000,000 shipments.

N. Y. Port Authority Fights I. C. C. Metropolitan Zone Order

Counsel and witnesses for the Port of New York Authority appeared in the

United States District Court at Trenton, N. J., on January 17 in support of the principle of port unity as applied to truckmen operating in the port of New York district. The suit, which is in the form of a petition for an injunction against the enforcement of the recent Interstate Commerce Commission order making local truckmen subject to regulation under all of the provisions of the Federal Motor Carrier Act, was brought by the Port Authority acting on behalf of four representative trucking companies running between Newark, N. J., Elizabeth, Perth Amboy, and New York City.

The Interstate Commerce Commission order sets the line for the New York zone at the Hackensack river and Newark bay, thereby excluding from the exempt zone local trucking activities between New York and the communities west thereof. The cities of Newark, Elizabeth, and Perth Amboy are joining in seeking the injunction, along with a number of commercial truckmen who will be adversely affected.

Parallel Trans-Siberian Route Completed by Soviets

The Russian government has announced completion of a new 1,800-mile railroad paralleling the Trans-Siberian route in its Far Eastern sector, according to news reports. While details of the new line have been kept secret for military reasons, it has been learned that the eastern terminus of the line is Karymskaya, near Lake Baikal and the western terminus is Khabarovsk, about 175 miles from the Pacific Ocean. At the latter point the new railway connects with the original Trans-Siberian and with a branch running to Vladivostok.

F. R. Hart, South American Railroad Pioneer, Passes

Francis R. Hart, who, at the turn of the century, interested himself in the building of railways in under-developed sections of South and Central American countries, died in Boston, Mass., on January 18. Mr. Hart was born in 1868, was graduated from the Massachusetts Institute of Technology in 1889, and in that year became general manager of the Cartagena-Magdalena road in Columbia. He served as vice-president in 1892 and 1893 and in the latter year assumed the presidency of the road, which he held until 1906. He has been president of the United Fruit Company since 1933.

N. Y. Central Cancels Passenger Runs

The New York Central has discontinued a number of passenger trains and effected the merger of several others, effective January 18. The Empire State Express, whose run, beginning September 26, had been extended experimentally from New York through Buffalo, N. Y. to Cleveland, Ohio, and reverse, was discontinued between Buffalo and Cleveland, and retains its original run between New York and Buffalo. The eastbound Mohawk was discontinued between Chicago and Toledo, Ohio; between Toledo and Albany, N. Y., its schedule remains unchanged; while ar-

rival in New York has been shifted to 21 minutes later. Westbound, the train leaves New York one hour earlier with the same arrival time in Chicago as at present.

The Genesee, formerly operated between Buffalo and New York City, was discontinued from Buffalo to Syracuse, retaining its same schedule between Syracuse and New York. The Cayuga, New York to Buffalo train, was combined with No. 163 between New York and Albany, operating on No. 163's schedule, and the Upstate Special, formerly leaving Syracuse at 3 p.m., now leaves at 2:30 p.m. and is combined with train No. 434 from Utica to Albany. Train No. 643, the Airliner, between Toledo and Chicago, has been discontinued.

Five New 4-6-4's for the Lackawanna

Five new locomotives designed for fast passenger service have been delivered to the Delaware, Lackawanna & Western by the American Locomotive Company. The locomotives, which were ordered last year, are of the 4-6-4 type and are capable of hauling 12-car trains in through service between New York and Buffalo, N. Y. Exerting a tractive force of 52,800 lb., the new locomotives carry a steam pressure of 245 lb. and have 26-in. by 30-in. cylinders and 80-in. drivers. In working order, each locomotive and its tender weigh 688,000 lb., the latter having a capacity of 26 tons of coal and 16,000 gal. of water.

Governor to Ask Nationalization of Anthracite Mines

Governor Earle of Pennsylvania announced on January 18 from Harrisburg, Pa., that he would request the federal government to take over the anthracite mining properties, and either operate them directly or lease the coal fields to present owners for operation under governmental supervision. This decision was reached after a conference with the United Mine Workers of America, members of the state Anthracite Coal Industry Commission, and with representatives of the private anthracite operators, all of whom, the governor claimed, declared themselves in favor of national ownership and regulation, according to news dispatches.

Program of the Atlantic States Advisory Board Meeting Announced

The Atlantic States Shippers Advisory Board will hold its fourteenth annual and forty-fifth regular meeting on January 27 in the Hotel Warwick, Philadelphia, Pa., at 9:30 a. m. The report of the executive committee, the first item on the program, will include the reports of the legislative, policy and membership committees. Reports on procedure before railroad rate bureaus and on proposed modification of the demurrage tariff to provide that Saturdays be considered legal holidays will also be read. Election of officers and the report of the Freight Loss and Damage Prevention committee follow.

The luncheon, which will be attended by members of Philadelphia traffic, business and civic organizations, will feature the

forecast of carloadings by commodity groups for the first quarter of 1938. The afternoon session will comprise the reports of the Railroad Contact committee, the district manager, Car Service division, Association of American Railroads, and a summary of national transportation conditions to be presented by W. C. Kendall, chairman, Car Service Division, A. A. R.

On January 26, the Freight Loss and Damage Prevention committee will meet for discussion of current topics and annual election of committee officers. W. W. Pierce, traffic manager, Pyrene Manufacturing Company will preside.

Appeal from Coal Rate Order

The Supreme Court has granted a motion for leave to file a statement and probable jurisdiction is noted in the case of the Baltimore & Ohio and others versus the United States and others. The Baltimore & Ohio and 18 other railroad companies had asked for a review of the action of a special three-judge federal court in dismissing their request that the Interstate Commerce Commission be enjoined from enforcing orders reducing the rates for transporting coke from the south to central territory and between points in central territory. Included in the list joining in the appeal to the Supreme Court were the New York Central, Pennsylvania, Norfolk & Western, Southern, Louisville & Nashville and Illinois Central.

Employment Off Again

Railway employment fell off 4.93 per cent during the one-month period from mid-November to mid-December, 1937, with maintenance of way and structures forces dropping 9.69 per cent and maintenance of equipment and stores 6.81 per cent, according to the Interstate Commerce Commission's compilation based on preliminary reports. The 1,008,037 total of employees as of the middle of December was 6.8 per cent below December, 1936, and compares with the mid-November figure of 1,060,296.

The number of employees in all groups was down in December as compared with November, the next largest drop after the above-mentioned maintenance forces being in the train and engine service group which was down 2.92 per cent. The index number, based on the 1923-25 average as 100 and adjusted for seasonal variation, stood at 57.9 in December, the lowest since January, 1936, when it was 57.3.

Increase Denied on Commodity Withdrawn From Ex Parte 115

The Interstate Commerce Commission, with Commissioners Mahaffie and Miller dissenting, has found not justified proposed increases in rates on bones, other than human or fresh meat bones, ground or unground, between various points throughout the United States. The same decision found justified a proposed rate on imported bones from Norfolk, Va., to Mt. Airy, N. C.

The proposed increases, published to become effective April 20, 1937, and suspended by the commission, were among those which had been withdrawn from the

Ex Parte 115 rate-increase application. Commissioner Mahaffie wrote the brief dissenting opinion in which Commissioner Miller concurred. It was Mr. Mahaffie's judgement that the proposed schedules had been justified by the railroads. He recalled that the commission has "many times suggested that the carriers should examine their rate schedules and bring forward proposals for modification where they find changes will increase revenue." The instant proceeding he called "such a case."

Would Amend Retirement Act

Senator Johnson of California has introduced in the Senate a bill (S.3252) to amend the Railroad Retirement Act so as to provide that wartime service in the armed forces of the United States shall be counted among "years of service" in the computation of annuities. Other similar bills have been introduced in previous sessions of the present Congress.

C. & E. I. One-Car Trains Boost Traffic 25 Per Cent

The two one-car "Egyptian Zephyrs" of the Chicago & Eastern Illinois, attracted 25 per cent more passengers in the first six months of their operation than steam trains of the road in the same period a year ago, according to the railroad. A report, which covers the period from June through November, 1937, also shows that the two trains which operate between Danville, Ill., and Cyprus, 248 mi., were responsible for a 25 per cent reduction in operating costs, as compared with the corresponding period of 1936. During the month of June, 1937, a 51.1 per cent increase in passenger revenues was recorded over June of the preceding year. During the six months more than 22,000 revenue passengers were carried, as compared with 18,000 in the six months when the old trains were in service.

Milwaukee Operates Ski Train

A moonlight ski train, carrying 300 gaily attired skiers, was operated by the Chicago, Milwaukee, St. Paul & Pacific to the Snoqualmie Bowl near Hyak, Wash., on the night of January 14. The Snoqualmie Bowl, high in the Cascade mountains, 61 miles east of Seattle, was developed this winter by the railroad, which will operate trains from Tacoma and Seattle on Saturdays and Sundays. The bowl is illuminated for night skiing and has five runs bordered by fir trees. A 1,700 ft. ski tow has been installed and a lodge has been built to provide conveniences for the skiers. Students of Wilson's Modern Business College of Seattle formed the nucleus of the first party and similar excursions sponsored by the college will be operated each Friday night throughout the ski season, which is expected to continue into April.

Liability Claims Held Not Prior in Railroad Reorganization

Liability claims do not have priority in cases of railroad re-organization, according to a decision rendered by the Federal District Court for Connecticut and affirmed recently by the Second Circuit Court of Appeals. The claimant in the case suf-

fered injuries as a railroad passenger in 1913 for which the carrier recognized liability and agreed to pay her \$10,000 cash and \$700 a month for life. When the carrier petitioned for reorganization under Section 77 of the Bankruptcy Act, its trustees repudiated, in part, the agreement, acknowledging the claim but denying its priority. Furthermore they claimed that it should be liquidated at the present value of the future payments, calculated upon an actuarial table for disabled persons. The claimant, on the other hand, asked for the price of an annuity of \$700 a month and sought to establish priority of the claim. Both courts decided for the defendant carrier.

A Town Shows Appreciation of the Value of a Railroad

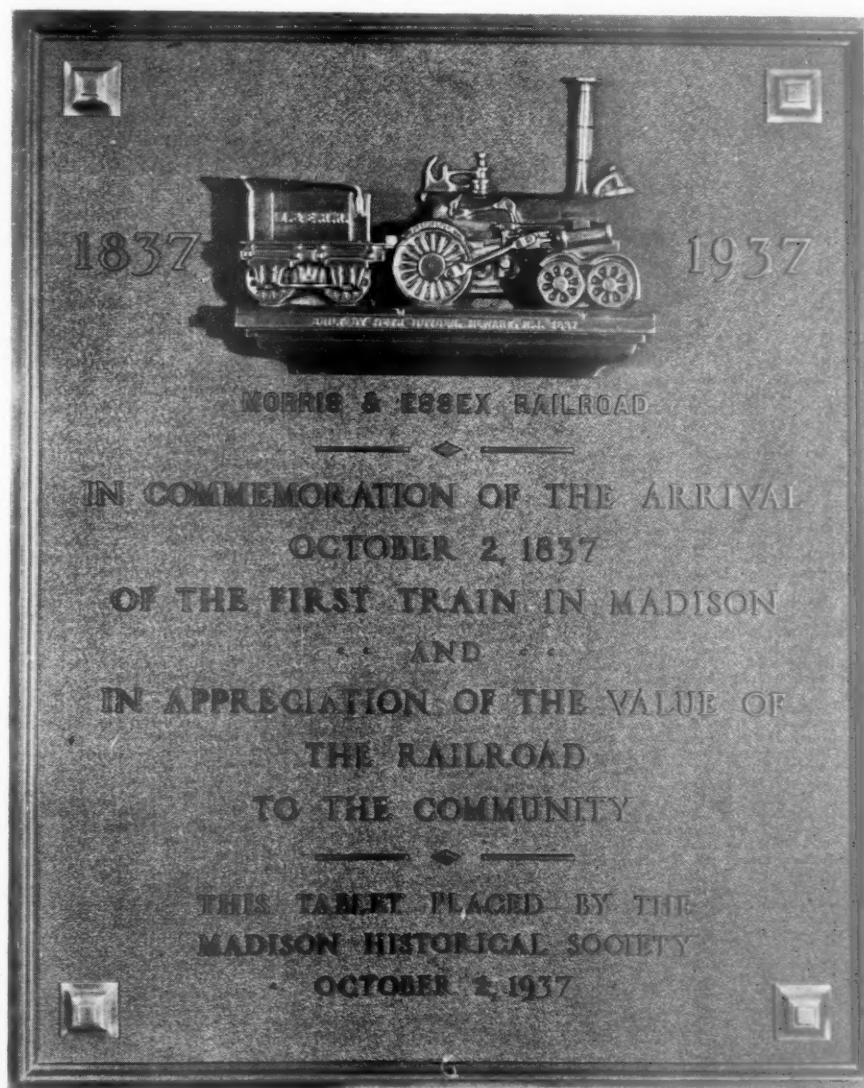
A bronze tablet is to be placed in the Madison (N. J.) passenger station of the Delaware, Lackawanna & Western by the Madison Historical Society on January 26 to commemorate the arrival of the first train 100 years ago on the old Morris & Essex. An unusual feature of the inscription to be imprinted upon the tablet is that it not only makes mention of the historical fact celebrated by the presenta-

tion but points out that the citizens wish to express "appreciation of the value of the railroad to the community."

The formal presentation will be made in the main room of the station in the early evening and will be participated in by town officers, mayors of adjacent communities and representatives of the railroad. Mrs. Anderson Case, president of the society, will be in charge of the ceremonies, and the response to the presentation will be made by G. J. Ray, vice-president and general manager of the Lackawanna, who will accept the tablet on behalf of the road.

As part of the celebration, the road will exhibit a train of modern passenger equipment, including the newest high-speed locomotive, club car, de luxe coach and a railway postal car, while another locomotive of an earlier period identified with Madison, will be included, by way of contrast. Following inspection of the train by the pupils of the grade and high schools, the railroad will tender a reception to the members of the Historical Society and invited guests.

In conjunction with the presentation, the historical society has offered three prizes to those local high school students



This Tablet is to be Placed in the Madison (N. J.) Station of the Lackawanna by the Madison Historical Society

submitting the best essays on "What the Railroad Has Meant to Madison." T. T. Taber, a member of the historical society, is in charge of arrangements.

Beyer Re-appointed to National Mediation Board

President Roosevelt has sent to the Senate the name of Otto S. Beyer to be a member of the National Mediation Board for the term expiring February 1, 1941. Mr. Beyer is now a member of the board and has been its acting chairman since the death of James W. Carmalt.

Motor Carrier Insurance

The Interstate Commerce Commission has modified Rule IX of its regulations in connection with motor carrier insurance for the protection of the public in order to avoid "any misunderstanding of the authority vested in us to refuse acceptance of, or to revoke approval of security when, in our judgment, such action is deemed necessary in the public interest."

The commission's action is set forth in a supplemental report by Division 5 in Ex Parte No. MC-5. It came about as a result of described conditions under which it was found desirable to modify the commission's previously-announced plan of being guided for the time being "by standards for insurance companies acceptable to the states."

Enthusiast Activities

The next meeting of the New York division, Railroad Enthusiasts, Inc., will be held on January 28 in Room 2728, Grand Central terminal, New York, at which time J. A. McMullen of the London, Midland & Scottish (Great Britain) will discuss the development, operating practices and equipment of the British carriers, to be illustrated with lantern slides and motion pictures. Mr. McMullen is at present on tour in the United States studying American railroading practices. The program has been dubbed "Associated British Railways Night."

The National Railway Historical Society, Philadelphia (Pa.) chapter, will hold a photographic contest on February 3, in the Pennsylvania Suburban station, Philadelphia, to judge the best photographs taken during the year by various members. Cash prizes are to be awarded.

Rail Finance Hearings Continue

Hearings were resumed in rail finance investigation on January 19, with Senator Truman, of Missouri, presiding in the absence of Senator Wheeler. The subject under scrutiny was the Pennsylvania's purchase of Raritan River stock from the Pennroad Corporation in 1931. Senate investigators charged that the Clayton Act was violated in the consummation of the purchase.

A. J. County, vice-president in charge of finance and corporate work of the Pennsylvania and a director of Pennroad, and S. H. Odgen, vice-president of Pennroad, said that they had never considered before the possibility of violating the Clayton Act.

During the session Senator Truman asserted that the Central of New Jersey had

"technically violated" the law by "concealing facts" from the Interstate Commerce Commission. His statement referred to the road's request in 1931 for permission to acquire a majority of the stock of the Raritan River. Committee investigators introduced exhibits to show that both the Pennsylvania and the Jersey Central began an effort in 1929 to obtain the Raritan River for strategic purposes.

Eastern States Plan to Combat Southern Rate Plea

Representatives of five eastern states reached a tentative agreement on January 14 at New York in a meeting held in the office of J. J. Bennett, Jr., attorney general of New York state, to present a united front against the efforts of the governors of eight Southern states to bring about a reduction in inter-territorial rates on goods shipped from the South to the North. Should the tentative agreement be accepted by the governors of the participating states, a bloc will enter the field to strengthen the opposition initiated by a conference of the governors of the six New England states, who effected a similar agreement in November. The eastern conference was called by Governor Lehman of New York, and representatives,—attorneys general and public utility board members—from Maryland, Pennsylvania, New Jersey and Delaware responded.

Hearings before the Interstate Commerce Commission on the petition of the Southern governors, known as No. 27746, the State of Alabama et al v. New York Central Railroad Company et al, have been scheduled for March 28 at Birmingham, Ala., when witnesses for the complainant will be heard.

Missouri Pacific Must Pay Excise Tax

The Missouri Pacific must pay \$11,086 excise tax due Louisiana since October 1, 1935, according to a ruling of the Federal district court in the suit of the attorney general and secretary of state of Louisiana for a declaratory judgment. They had asked that the tax be held to be due and that to rule otherwise was to deprive Louisiana of its rights as a sovereign state. The trustee of the Missouri Pacific had opposed payment on the ground that such a tax is not payable when the company is in reorganization under the amended bankruptcy act. The levy was on the intrastate business of the company in 1934 and was based on revenues of \$4,000,000 collected in Louisiana and operations on property worth \$20,000,000. The court also found that the state had validly enacted the levy and that the railroad cannot operate in the state without paying it.

December, 1937, Revenues 19.6 Per Cent Below December, 1936

Preliminary reports from 92 Class I railroads, representing 83.3 per cent of total operating revenues, made public on January 14 by the Association of American Railroads, show that those railroads, in December, 1937, had estimated operating revenues amounting to \$249,534,013 compared with \$310,257,528 in the same month of 1936 and \$311,451,258 in the same month

of 1930. This December, 1937, gross was 19.6 per cent below December, 1936, and 19.9 per cent below December, 1930.

Freight revenues of the 92 roads in December, 1937 amounted to \$191,457,932 compared with \$248,282,711 in December, 1936, and \$232,546,142 in December, 1930—22.9 per cent below December, 1936, and 17.7 per cent below December, 1930. December passenger revenues totaled \$33,892,839 compared with \$33,304,442 in December, 1936, and \$46,950,353 in December, 1930. The December figure was 1.8 per cent above December, 1936, but 27.8 per cent below the same month in 1930.

Fourth B. & O. Diesel on Delivery List

The Baltimore & Ohio will be hauling the National Limited, its leading New York-St. Louis, Mo., passenger train, on part of the run in both directions by Diesel-electric power when delivery is made, during the next few days, of the fourth of a group of 3600-hp. locomotives built for the road by Electro-Motive Corporation. The new locomotives will handle the train between Washington, D. C., and Washington, Ind., which run includes the steep grades of the Alleghenies. They are identical with two other units which have been handling the B. & O.'s Capitol Limited, between Washington, D. C., and Chicago, for some time, as described and illustrated in the *Railway Age* of May 29, 1937.

Each of these locomotives is powered by four G. M. two-cycle engines, developing 900 hp. each at 750 r.p.m., or 3,600 hp. for the unit. One of the National's new engines has been in operation for more than a week, and has already shown its capabilities, on one day taking the eastbound train at Washington, Ind., more than an hour late, and arriving at Parkersburg, W. Va., ahead of schedule.

Ontario Truckmen Say Rail Rates Are "Below Cost"

Claims that the Canadian National has lowered freight and express charges between Toronto, Ont., and Kitchener, a typical competitive route, to a point far below that which highway truckers can meet and allegedly below cost were put forth by witnesses for motor carriers before the Chevrier Royal Transport Commission at Toronto recently. This commission has been appointed to investigate highway transport in Ontario. Earlier hearings were summarized in the *Railway Age* for December 11, page 853.

Figures presented by A. J. Litvin, president of the K. L. Motor Express, Ltd., Toronto, and corroborated later by J. C. Gillanders, counsel for the Railway Association of Canada, revealed that on a certain type of furniture between Toronto and Kitchener the railway freight rate has been lowered from 83 cents to 43 cents and the Canadian National express rate for the same haul has been set even lower at 37 cents. "When the rate was put so low, we put our vans away," the trucking witness testified. He further pointed out that the rail carrier had reduced minimum carload weights on furniture.

Answering for the railroads, Mr. Gil-

landers contended that, despite the drastic rate decreases, the railway did not get the traffic. Joseph Singer, counsel for the commission, in reply to the protestations of the truck operators, suggested that they file application for rate revisions with the provincial Railway Board.

Freight Car Loading

Loading of revenue freight for the week ended January 8 totaled 552,314 cars, an increase of 94,955 cars or 20.8 per cent above the preceding week which contained a holiday, but a decrease of 147,732 cars or 21.1 per cent below the corresponding week in 1937 and a decrease of 223,441 cars or 28.8 per cent below the same week in 1930. All commodity classifications showed increases over the preceding week, while all commodity classifications except grain and grain products showed decreases under last year. The summary, as compiled by the Car Service Division, Association of American Railroads, follows:

For Week Ended Saturday, January 8			
Districts	1938	1937	1936
Eastern	114,240	157,793	140,809
Allegheny	98,112	146,699	119,684
Poconantas	35,892	53,442	46,278
Southern	88,761	106,135	88,418
Northwestern	70,976	77,157	74,142
Central Western	94,375	103,455	93,060
Southwestern	49,958	55,365	52,462
Total Western Districts	215,309	235,977	219,664
Total All Roads	552,314	700,046	614,853
Commodities			
Grain and Grain Products	39,672	29,860	31,764
Live Stock	14,641	15,419	14,886
Coal	110,487	171,165	152,755
Coke	6,830	11,753	8,781
Forest Products	24,226	30,037	26,184
Ore	6,454	9,826	6,470
Merchandise I.C.I.	142,136	159,001	148,264
Miscellaneous	207,868	272,985	225,749
January 8	552,314	700,046	614,853
January 1	457,359	588,263	541,826
December 25		460,367	562,578
December 18		603,292	730,048
December 11		622,131	739,096

In Canada.—Car loadings for the week ended January 8 totaled 44,024 against 45,005 for the comparable week in 1937 and 36,432 for the week ended January 1, 1938, according to the weekly statement of the Dominion Bureau of Statistics.

	Total Cars Loaded	Total Cars Rec'd from Connections
Total for Canada:		
January 8, 1938.....	44,024	20,328
January 1, 1938.....	36,432	17,963
December 25, 1937....	39,188	22,552
January 9, 1937.....	45,005	26,316
Cumulative Totals for Canada:		
January 8, 1938.....	44,024	20,328
January 9, 1937.....	45,005	26,316
January 4, 1936.....	34,458	20,244

Commodity Packaging Data Published by Tariff Commission

The United States Tariff Commission has recently issued an extensive report under the title "Guide to Current Practices in the Packaging of Typical Commodities that Move in Domestic and International Trade". Although the material was gathered for use primarily by the commission itself, the data, which deal with the descriptions of inner and outer containers, their sizes, volumes and weights, will be of value as reference material for use by shippers, carriers and

other groups interested in the transportation of goods.

The data shown for individual commodities comprise information on the kinds of outer and inner containers and types of packing materials commonly used for domestic shipments and for comparable import or export shipments, the gross weight of packages ready for shipment, net weight of goods, tare weight of outer containers, cubic space occupied by outer containers in a transportation vehicle or storage warehouse, and the factors of density and stowage of each package. The material summarized in the volume was collected by the commission during 1937 from several hundred domestic manufacturers and importers. The volume of 160 pages is divided into seven sections, as follows:

Chemicals, Oils and Paints
Nonmetallic Minerals, Pottery, Glass, and Related Ceramic Products
Metals and Manufactures Thereof, including Machinery
Wood, Pulp, Paper, and Manufactures Thereof
Agricultural and Fishery Commodities, Manufactures Thereof, and Beverages
Textile Materials and Manufactures
Sundries

Copies of individual sections or of the complete manual may be obtained from the United States Tariff Commission, Washington, D. C.

Charles F. Kettering Addresses Western Railway Club

In addressing 850 members and guests of the Western Railway Club at its regular monthly meeting in Chicago on January 17, Charles F. Kettering, president and general manager, General Motors Research Corporation, paid tribute to railway accomplishments from the standpoint of both engineering and operation and said that no one can ever express, in words, the debt of gratitude which American business in this country owes to the American railways.

Mr. Kettering referred to the development of the General Motors type Diesel engine and made the following comment regarding the adaptation of Diesel power in railway service: "Diesel engines have opened up an entirely new field in the study of the development of power. Whether that finally works out to be a better steam engine, a better gasoline engine, or a better Diesel engine, doesn't make any difference. The question is whether out of this work

will come a better all-round railroad. That is the only measure of whether it's going to be any good or not in the last analysis. It is always easy to sell a new idea, but whether it stays sold or not depends upon its primary economics. . . ."

Regarding the necessity for further research and development work, Mr. Kettering said "We are nowhere near through with the development work of industry today, any more than we were at any other time in the history of our development. We don't know very much about anything, and the greatest chance we have for future progress is to recognize this. We should recognize that we don't know much but we are hopeful of knowing more, and that we believe that this country is going ahead as it has never gone ahead before, regardless of whether we are in a depression or lull or what not. I know that the same American spirit that built us up to this far will continue to go ahead just in proportion as we have faith and belief that the world is still all ahead of us."

P. R. R. "Turns on the Juice" on Paoli-Harrisburg Sector

When the Pennsylvania's westbound "Metropolitan," headed by a brand new G-G-1 streamlined electric locomotive, and bound for Pittsburgh, Pa., and the West from New York, rolled into the Harrisburg (Pa.) station at 12:16 p. m., on Saturday, January 15, regular passenger service had been officially inaugurated on the new 83-mile electrified sector of the main-line between Paoli, Pa., and Harrisburg. At the initial terminal, Philadelphia, at Harrisburg and at intermediate stops, the 13-car train was greeted by enthusiastic crowds and knots of news-photographers.

The opening of the Paoli-Harrisburg section completes, in so far as passenger trackage is concerned, the electrification plan for its eastern seaboard lines initiated by the Pennsylvania early in 1929. As originally announced, it includes main and suburban trackage between the New York, Philadelphia, Wilmington, Del., Baltimore, Md., and Washington, D. C., districts, which were placed under electric operation in 1935, and the present extension from the Philadelphia area to Harrisburg. While electrification of the passenger trackage is now finished, some work



Enthusiastic Crowds Greet the First Regular Train to Run Over the Pennsy's New Electrification.

still remains before the full electric freight service will be in operation. When this is completed, which is expected to be by spring, the Pennsylvania will have 2,677 miles of track electrically operated.

Frisco Suit Tried in New York State Supreme Court

J. G. Lonsdale and J. M. Kurn, co-trustees of the St. Louis-San Francisco, have brought suit in the New York Supreme Court to recover \$10,506,090 from the investment banking houses of J. and W. Seligman & Co. and Speyer & Co., which loss they claim was suffered by the road in transactions involving the purchase of controlling interest in the Chicago, Rock Island & Pacific in 1926. This sum is the book value of Rock Island common stock purchased. The right to bring suit was granted the trustees by the federal district court of St. Louis, Mo., which has jurisdiction over the 'Frisco receivership.

Specifically, the trustees charge that the purchase of Rock Island stock upon which the suit is based was brought about by a "confederation and conspiracy" involving Speyer & Co., with the knowledge and consent of J. and W. Seligman & Co. Edward M. Brown, former chairman of the 'Frisco, has also been accused by the complainants of having acted under domination of the banking firms. Many pages of evidence in the case have already been given in hearings before special masters in St. Louis and New York courts. The Rock Island transaction was also slated for investigation in the Senate joint resolution 71 of July 5, 1935, providing for investigation of railroad finance by the Senate Interstate Commerce committee.

A greater part of the trial time this week was devoted to opening statements of counsel and testimony by Mr. Brown and C. W. Michel, eastern representatives of the trustees, and a former director of the road.

Canadian Union Leaders Urge Decrease of Subsidies

Declaring that subsidies amounting to \$69,000,000 are paid annually by Canada to waterways and highway competitors of the railways, Canadian officers of the railroad brotherhoods urged stricter regulation of highway transport, increased taxation to balance highway costs, and the imposition of canal tolls, in their annual appearance before Prime Minister King and other government leaders at Ottawa, Ont., last week. These statements were made as part of the recommendations presented each year by a delegation of the joint legislative committee of the brotherhoods for Canada, preceding the sessions of Parliament.

The brotherhood men pointed out that capital expenditures and maintenance costs for Canadian highways had piled up by the end of 1935 a debt of \$492,000,000. Again, taking the year 1935 as an illustration, the union brief showed that total expenditures for new works, maintenance and interest charges on highways in that year had amounted to \$92,000,000, while revenues from car registrations and gaso-

line tax totaled only \$54,000,000. In recommending the imposition of tolls for those using canals, the brief brought out the fact that the annual net cost of the canal system totaled approximately \$15,000,000 while revenues on the properties amounted to little more than \$1,000,000.

William L. Best, vice-president of the Brotherhood of Locomotive Firemen & Enginemen and secretary of the Dominion joint legislative committee of the railroad brotherhoods, was the spokesman of the party. Other representatives included: Thomas Todd, vice-president, Order of Railway Conductors; H. B. Chase, assistant grand chief, Brotherhood of Locomotive Engineers; A. J. Kelly, Dominion legislative representative and chief agent, Brotherhood of Railroad Trainmen; W. H. Phillips, vice-president, Order of Railroad Telegraphers; and W. V. Turnbull, vice-president, Brotherhood of Maintenance-of-Way Employees.

Club Meetings

The Metropolitan Traffic Association of New York will hold its next meeting on January 27 at the Imperial Hotel, New York. A traffic forum will be held on the topic "Rates in Official Territory," to be lead by J. E. Sweeney, Jr., Union Carbide Company.

The Reading Company Boosters Club of Reading, Pa., will hold a "Pullman Night" on January 27 in Reading company headquarters in Reading. At that time William H. Mussey, research engineer, Pullman-Standard Car Manufacturing Company, will present an address entitled "A Discussion of the Design and Construction of Cars," to be illustrated by two motion picture films showing the process of construction of lightweight passenger and freight cars. These will be followed by a talk entitled "Progress in Construction of Cars" by H. S. Kephleman, superintendent, car department, of the Reading, and a discussion on air-conditioning equipment by W. A. Fister, mechanical supervisor, Reading.

The Car Foremen's Association of Omaha, Neb., Council Bluffs, Iowa, and South Omaha Interchange, will hold its next meeting on February 10 in the Burlington station, Omaha. At that time T. P. Schmidt, car foreman, Chicago, Milwaukee, St. Paul & Pacific, will present a paper entitled "The Car Department Situation in Claim Prevention."

The Toronto Railway Club will hold its annual meeting at the Royal York hotel, Toronto, Ont., on January 24, following which the regular monthly meeting will be held. W. J. McGarry, manager, Car Service division, Association of American Railroads, will speak on "The Car Service Division, Association of American Railroads, Its History and Functions."

The Eastern Car Foreman's Association will hold its next meeting on January 28 in the Engineering Societies building, 29 West 39 street, New York. C. J. Hayes, supervisor, A. A. R. Clearing House, New York Central, will speak on "A. A. R. Rules of Interchange." The annual dinner of this association will be held on February 10 at the Hotel Commodore, New York.

Supply Trade

F. R. Hysell has been appointed general traffic manager of the **Glidden Company**, Cleveland, Ohio, effective January 15.

Fred W. Wocher, formerly of the B. F. Goodrich Company, has entered the employ of the **Chicago Railroad Supply Company**, and will devote his time to the sale and engineering of V-belts and mechanical rubber goods.

A. L. Bergstrom, chief works engineer of **The Timken Roller Bearing Company**, Canton, Ohio, has been appointed executive engineer to co-ordinate some of the varied engineering activities of the company, following the resignation of **Ernest Wooler**, chief engineer.

W. T. Darcy has been placed in charge of renewal parts sales for industrial apparatus, serving as assistant to the manager of the control and renewal parts division of the **General Electric Company's** industrial department, at Schenectady, N. Y., to succeed **L. R. Wood**, retired.

W. L. Hartley, 7031 W. Wisconsin Avenue, Milwaukee, Wis., has been appointed representative for the State of Wisconsin and upper Michigan, for the **Bucyrus-Erie Company**, South Milwaukee. The **Brooks-Payne-Osborne Equipment Company**, distributors for the Bucyrus-Erie Company, and the **Day Pulverizer Company**, both of Knoxville, Tenn., have been consolidated to form **The Brooks Equipment & Manufacturing Co.**

Cutler-Hammer, Inc., Milwaukee, Wis., has organized the **Canadian Cutler-Hammer Limited**, with headquarters at 384 Pape Avenue, Toronto 6, Canada; this company is a subsidiary of the **Amalgamated Electric Corporation, Limited**, and will manufacture Cutler-Hammer motor and generator control products for the Canadian market. The **Northern Electric Company of Canada**, the principal distributor for Cutler-Hammer in Canada, will continue to act as distributor.

Walton L. Woody, who has been appointed manager of the Sharon, Pa., works of the **National Malleable and Steel Castings Co.**, as was announced in the *Railway Age* of January 15, page 169, was graduated from Rose Polytechnic Institute in 1914, and entered the employ of the National Malleable and Steel Castings Co., at Cleveland in December of the same year as a chemist. He was appointed manager of the Cleveland works in October, 1926, and now becomes manager of the Sharon works. **Charles H. McCrea**, sales manager at Cleveland, succeeds Mr. Woody as manager of the Cleveland works. Mr. McCrea was graduated from Purdue University in 1912, and entered the employ of the National Malleable and Steel Castings Co., at its Toledo, Ohio works in February, 1913. He then served as captain of calvary attached to the Ninth Division of the Regular Army, and then re-entered the employ of the National

Malleable and Steel Castings Co. in July, 1919, in charge of its St. Louis, Mo. office. Mr. McCrea was appointed sales manager at Cleveland in January, 1931 and now succeeds Mr. Woody as manager of the Cleveland works.

Thomas J. Hilliard, who has been appointed general manager of sales of the **Carnegie-Illinois Steel Corporation**, with headquarters at Pittsburgh, Pa., was born at Pittsburgh on March 3, 1894. He attended St. Paul's School, Concord, N. H., and was graduated from Princeton University with an A.B. degree in 1917. From college, Mr. Hilliard entered the U. S. Army Air Service as a private in May, 1917, and subsequently was advanced to the rank of first lieutenant. He completed his army air service with the rank of captain in February, 1919. Mr. Hilliard was president of the Carhile Petroleum Company of Pittsburgh, from September, 1919, to January 1, 1922; then president of the Pittsburgh Oil & Refining Co., serving in that capacity until 1926, and from January 1, 1926, until June 1, 1930, he was president of the Waverly Oil Works Company, Pittsburgh. From April, 1931, to September, 1932, he was



Thomas J. Hilliard

sales manager and vice-president of the O. Hammell Company, Pittsburgh, and then to April, 1935, was vice-president of the Standard Steel Spring Company, Cora, Pa. Mr. Hilliard joined the Carnegie-Illinois Steel Corporation as manager of sales of the Pittsburgh district office, on January 1, 1936, and on January 1, 1938, he was appointed general manager of sales of the same corporation.

OBITUARY

David J. Wilkoff, president of the Youngstown Steel Car Corporation, Niles, Ohio, died suddenly on January 7.

Pike P. Meade, former secretary and treasurer of The Symington Company, now The Symington-Gould Corporation, died on January 18, in Rochester, N. Y., at the age of 60 years. Mr. Meade was associated with the corporation from 1917 to 1930, when he retired on account of ill health.

Robert S. Brown, vice-president and treasurer of the G. M. Basford Company,

advertising agents, New York, and an advertising executive who was well known in the railway supply field, died unexpectedly at his home in Rutherford, N. J., on January 17. Mr. Brown was 51 years of age at the time of his death and had been



Robert S. Brown

connected with the G. M. Basford Company since 1916. He was born in England but came to this country in his early life. After attending public schools of East Rutherford, N. J., and high school, he went to Pratt Institute, Brooklyn, N. Y., where he was graduated in the class of 1909. He then entered the service of the Erie Railroad as a special apprentice, working successively in the Meadville, Pa., office of the mechanical engineer, in the Erie shops at Susquehanna, the office of the general mechanical superintendent at New York and the office of the purchasing agent at New York. He left to become associated with the Simmons-Boardman Publishing Corporation in its advertising production division, and later was engaged in work on the Locomotive Cyclopedia and the Car Builders' Cyclopedia, published by this company, leaving in 1916 to join the G. M. Basford Company. In recent years, Mr. Brown specialized on merchandising problems in the railway supply industry, including work for the American Arch Company, the Franklin Railway Supply Company, the Lima Locomotive Works, The Superheater Company, the Standard Stoker Company, and others. He was a member of the Engineers' Club, the Transportation Club and the New York Railroad Club.

TRADE PUBLICATIONS

ROCK DRILLS.—A virtual encyclopedia, covering its complete line of rock drills and allied equipment, including jackhammers, paving breakers, pile drivers, track-spike drivers, drifters, wagon drills, core drills, diamond drills, drill steel, grinders and sharpeners, has been issued by the Ingersoll-Rand Company, New York City. This new catalog, which is highly illustrated with outline pictures and working photographs, contains one of the most complete tabulations of the operating and physical characteristics of drills, drilling tools and auxiliary equipment ever issued

by the company, and, in addition, contains eight pages of generally useful information, such as metric and heat conversion tables, friction of air in pipes and hose, horsepower required to compress given quantities of air to specific pressures, and compressor capacities required to operate from 1 to 70 drills.

CONCRETE SUPPORTED TRACK.—An exposition, designed to show the advantages of concrete slabs as the means for distributing track loads over the roadbed, has been prepared by the Portland Cement Association, Chicago, in the form of a 32-page, illustrated bulletin. Considerable space is devoted to excerpts from, and interpretations of, the various progress reports of the Special Committee on Stresses in Railway Track, for the purpose of demonstrating the greater resistance to track depression afforded by a concrete slab, as compared with an ordinary ballasted roadbed, as well as the greater uniformity of the rail support provided by the former. Three types of concrete track support are suggested, namely, sub-ballast slabs, embedded ties and the all-concrete type in which the rails are anchored to the concrete, although the latter two are recommended only for special locations or conditions. Another section of the bulletin is devoted to descriptions and illustrations of a variety of installations of concrete supported track, followed by a brief statement concerning construction methods.

Equipment and Supplies

New Haven Asks to Purchase Equipment; Cost \$2,850,000

The New York, New Haven & Hartford has petitioned the court for permission to purchase 50 light-weight streamlined passenger coaches, estimated to cost \$2,100,000; this will bring the total of this type of equipment on the New Haven to 200 cars. The court was also petitioned to permit the purchase of 10 Diesel-electric switching locomotives to cost \$750,000.

LOCOMOTIVES

THE ALASKA RAILROAD is inquiring for one 4-6-2 type locomotive.

THE CHICAGO & NORTH WESTERN is inquiring for three locomotives of the 4-6-4 type.

FREIGHT CARS

THE ARGENTINE STATE RAILWAYS contemplate buying from 250 to 500 box cars of about 33 tons' capacity. Pablo Nogues is general manager at San Jose 180, Buenos Aires, Argentina.

THE UNITED STATES NAVY DEPARTMENT, BUREAU OF SUPPLIES AND ACCOUNTS, is asking for bids, on January 25, for five flat cars of 50 tons' capacity and one flat car of 100 tons' capacity, for service at Philadelphia (Pa.) Navy Yard.

Financial

ATCHISON, TOPEKA & SANTA FE.—Abandonment of Operation.—The Interstate Commerce Commission, Division 4, has authorized this company to abandon the operation of certain railroad and ferry facilities of the Southern Pacific in Alameda and San Francisco counties, Calif. The route to be abandoned is between Oakland, Calif., and San Francisco, 5.64 miles.

CHICAGO, INDIANAPOLIS & LOUISVILLE.—Reorganization Plan.—A protective committee of holders of refunding mortgage bonds of this company have filed a plan of reorganization which would provide for assessment of the present stockholders to provide funds for the rehabilitation of the road. The committee contended that the four per cent preferred stock and the common stock had no value. The plan provides that the preferred stockholders would be given one share of common stock in the new company for each share of present preferred held upon payment of \$15 per share. Common stockholders would be given share for share upon payment of \$30 per share.

CLEVELAND, CINCINNATI, CHICAGO & ST. LOUIS.—Merger of Subsidiaries and Securities.—This company has applied to the Interstate Commerce Commission for authority to assume liability for certain securities and to issue 3,582,062 1/5 shares of its common stock with necessary scrip to effectuate the plan for the proposed merger of eight subsidiaries into the applicant company. The securities involved are \$1,000,000 of Cincinnati Northern 4 per cent 50-year gold bonds, due July 1, 1951, and \$3,340,000 of New York Central 5 per cent equipment trust gold certificates due June 1, 1938 and 1939. Approval for the proposed merger is sought in another application filed jointly by the Big Four and the eight subsidiaries involved. The latter are: Cincinnati Northern; Cincinnati, Sandusky & Cleveland; Cincinnati, Lafayette & Chicago; Columbus, Hope & Greensburg; Evansville, Indianapolis & Terre Haute; Mt. Carmel & Northern; Muncie Belt; Vernon, Greensburg & Rushville.

DELAWARE, LACKAWANNA & WESTERN.—Promissory Note.—This road and the Syracuse, Binghamton & New York have applied to the Interstate Commerce Commission for authority to the latter to issue to the D.L.&W. its promissory note for \$1,462,576.26, which note the Lackawanna proposes to endorse and pledge as collateral for a \$1,000,000 six-months three per cent loan, dated January 4, from the First National Bank of New York. Proceeds will be used to replenish the D.L.&W. treasury.

ILLINOIS CENTRAL.—Abandonment.—Examiner J. S. Prichard of the Interstate Commerce Commission, in a proposed report to the commission, has recommended that it authorize this company to abandon the operation and the Chicago, St. Louis & New Orleans to abandon the line ex-

tending southerly from milepost 4 to the end of the line at milepost 6.21, approximately 2.21 miles, all in Vanderburg County, Ind., and Henderson County, Ky.

MINNEAPOLIS, ST. PAUL & SAULT STE. MARIE.—Abandonment.—This road and the Wisconsin Central have filed a joint application with the Interstate Commerce Commission for authority to abandon a 6.78-mile line from Owen, Wisc., to Curtiss.

NEW YORK, CHICAGO & ST. LOUIS.—New Directors.—Robert R. Young, New York, and W. J. Stevenson, Cleveland, Ohio, have been elected to fill vacancies on the board of directors.

NEW YORK, NEW HAVEN & HARTFORD.—Reorganization.—Some 30 briefs of various interests have been filed in the Interstate Commerce Commission's proceeding in connection with the reorganization of this road.

Abandonment.—The Interstate Commerce Commission, Division 4, has authorized the trustees to abandon the operation and the trustees of the Hartford & Connecticut Western to abandon the part of a line extending from Collinsville, Conn., to a point about one mile east of Winsted, 11.3 miles. In this application the trustees of the New Haven asked to abandon only 1.1 miles of the line, as the remainder had been abandoned in 1932.

Reorganization.—The Interstate Commerce Commission, Division 4, has authorized James Jay Kann, C. Kenneth Baxter and Arthur F. Shettle to serve as a protective committee for holders of the bonds secured by or issued under the first and refunding mortgage, date December 9, 1920, as supplemented and amended, of this company, the four per cent debentures due May 1, 1957, and the four per cent debentures due May 1, 1957, of the Providence Securities Company, in the reorganization proceedings of this company.

NORTHERN PACIFIC.—Abandonment.—The Interstate Commerce Commission, Division 4, has authorized this company to abandon the part of its line extending from engineer's station 3562 plus 17, at Sunnyside Junction, Wash., to engineer's station 150 plus 64, near Granger, 2.9 miles.

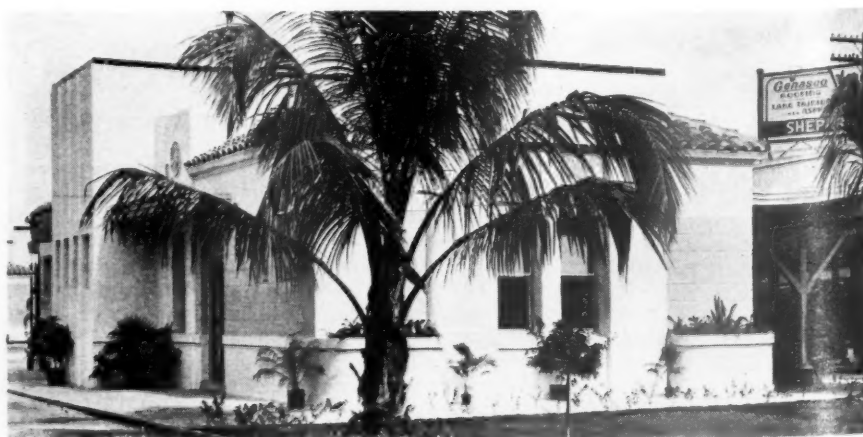
READING.—Lease of Mt. Carmel.—This road has applied to the Interstate Commerce Commission for approval of a 10-year lease of the property of the Mt. Carmel. The latter has been operated under lease by the Reading and its predecessors for 30 years, and the new lease, dated October 1, 1937, would run for 10 years.

SOUTHERN PACIFIC.—Bonds.—The Southern Pacific Railroad Company has applied to the Interstate Commerce Commission for authority to issue and sell to the Southern Pacific Company \$7,660,500 of its first and refunding four per cent mortgage gold bonds due January 1, 1955. The latter company seeks authority to guarantee the bonds as to principal and interest and to pledge and repledge them. The proceeds will be used to reimburse the Railroad Company for money spent in meeting other bond maturities.

WABASH.—Reorganization.—The time within which the Wabash shall file a narrative statement of the plan of reorganization was extended until February 1, 1938, by the district court at St. Louis on January 15. The plan was filed in tabular form in July, 1937. Receivers reported to the court that although substantial progress has been made toward harmonizing certain conflicting claims and interests in the proceedings they will be unable to complete and file a narrative statement by January 15, the period previously fixed by the court. The date for filing objections, if any, to the plan of reorganization or the narrative statement also has been extended to February 15.

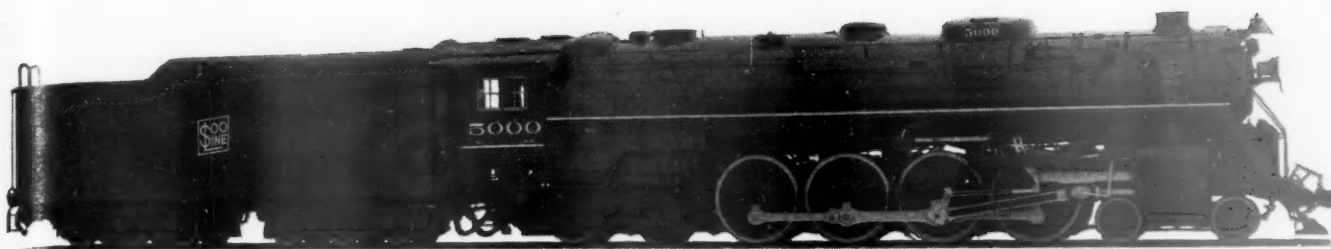
The application of Harry A. Kimberling, a former employee of the company, who has a \$20,000 personal injury claim and seeks permission to intervene in the receivership and collect his claim was denied by the district court on January 14. The court held that the relief sought would only encumber and delay the orderly process of reorganization and found that the claim of Kimberling, based on a circuit court judgment in 1932 for loss of his left leg in an accident in 1929, had been filed and allowed as a general claim in the receivership proceeding and that Kimberling was stopped from asserting a claim for preference over many other general or unsecured creditors.

* * *



New S. A. L. Passenger Station at Sarasota, Fla.

Continued on next left-hand page



NEW FREIGHT POWER FOR THE SOO LINE



The first of four heavy 4-8-4 Type locomotives built by Lima for the Soo Line. » » » This power is designed to meet the requirements of high capacity, high speed freight service.

WEIGHTS IN WORKING ORDER, POUNDS				
On Drivers	Eng. Truck	Trailer Truck	Total Engine	Tender Loaded
263,000	76,000	Front 52,300 Rear 54,200	445,500	317,600
WHEEL BASE			TRACTION EFFORT	
Driving	Engine	Eng. & Tender	66,000	
19' 9"	46' 9"	87' 9½"		
BOILER		CYLINDERS		DRIVING WHEEL
Diameter	Pressure	Diameter	Stroke	Diameter
86"	270 lb.	26"	32"	75"

LIMA LOCOMOTIVE WORKS



INCORPORATED, LIMA, OHIO

WILLAMINA & GRANDE RONDE.—*Operation.*—The Interstate Commerce Commission, Division 4, has authorized this company to operate in interstate and foreign commerce its line extending from a connection with the Southern Pacific at Willamina, Ore., to a point approximately 0.75 mile west of Grande Ronde, 9 miles.

Average Prices of Stocks and Bonds

	Jan. 18	Last week	Last year
Average price of 20 representative railway stocks..	31.82	32.81	55.47
Average price of 20 representative railway bonds..	64.36	65.92	85.13

Construction

ATCHISON, TOPEKA & SANTA FE.—The Interstate Commerce Commission, Division 4, has authorized the California, Arizona & Santa Fe to construct a branch line extending from a point on its main line near Ennis, Ariz., in a southwesterly direction, approximately 5.9 miles. The commission has also approved the lease of this proposed line by the Atchison, Topeka & Santa Fe.

DELAWARE & HUDSON.—The New York Public Service Commission has ordered the elimination of 13 dangerous grade crossings on this road in and near Ballston Spa, N. Y., at an estimated cost of \$830,000, exclusive of land and property damages. The crossings are located at East High street, Eastern avenue, Milton avenue south, Pleasant street, Low street, Bath street, Science street, Prospect street, Middlebrook street, Milton avenue north, Union street and North street in Ballston Spa and the Spicers crossing in Saratoga Springs, N. Y. The Commission's order provides for the relocation of a portion of the main line of the railroad to the east of Ballston Spa and includes a structure to carry the present alignment of State Highway No. 241 under the proposed location of the railroad.

EAST ST. LOUIS.—The city of East St. Louis, Ill., is seeking the aid of the Illinois Highway Department in the construction of two subways, one to carry Lincoln avenue under the tracks of the Terminal Railroad Association of St. Louis and the other to carry Tenth street under the tracks of the Southern.

NEW YORK CENTRAL.—Contracts have been let by this road for work in New York City as follows: To the George W. Rogers Construction Corporation, New York, for making repairs to Pier 83 and shed thereon, North river; to the Electric Storage Battery Company, for repairing 160 cell R-138 Exide battery in sub-station 1L, Grand Central terminal; to James O'Connell, Bronx, New York, for equipment and labor used for grading in Riverside Park between West 83rd street and St. Clair Place; to the Duffy Construction Corporation, New York for the construction of a field house in the vicinity of West 148th street in Riverside Park.

Railway Officers

Brooke Elected President of Nickel Plate and P. M.

George D. Brooke, who was elected president of the Chesapeake & Ohio on December 29, was elected also president of the New York, Chicago & St. Louis and the Pere Marquette on January 18. Prior to that date Mr. Brooke held the positions of executive vice-president of the Nickel Plate and of the Pere Marquette and was also serving the C. & O. in the same capacity at the time of his election to the presidency of that road. A biographical sketch and a photograph of Mr. Brooke were presented in the *Railway Age* of January 8, page 117.

FINANCIAL, LEGAL AND ACCOUNTING

Samuel W. Lancaster, assistant commerce attorney for the Texas & Pacific, has been appointed assistant to the general solicitor, with headquarters at Dallas, Tex.

Alfred M. Blanchard has been appointed acting auditor for the Detroit & Toledo Shore Line, to succeed **Ernest L. Ray**, whose promotion to general manager was reported in the *Railway Age* of December 4.

W. A. Hahnen, treasurer of the Des Moines (Iowa) Union Railway, has been appointed secretary and auditor, to succeed **T. S. Ford**, whose retirement was noted in the *Railway Age* of December 11. **C. A. Clark** has been named to succeed Mr. Hahnen as treasurer.

C. I. Hagberg has been elected auditor of the Chicago & Illinois Midland, with headquarters at Springfield, Ill., in which capacity he will assume the duties heretofore discharged by **Stanley Wood**,



C. I. Hagberg

general auditor, whose death on December 29, 1937, was reported in the *Railway Age* of January 8. A native of Ottumwa, Iowa, Mr. Hagberg was born on February

1, 1897, and first entered railway service in September, 1914, as a fuel clerk on the Chicago, Burlington & Quincy at Ottumwa, later being appointed a timekeeper. In September, 1917, he resigned to go with the Chicago, Peoria & St. Louis (now partitioned) as chief timekeeper. In the following year Mr. Hagberg joined the Chicago & Alton (now the Alton) as chief payroll clerk at Chicago, later being promoted to chief clerk, disbursement accounts, and traveling auditor, in which capacities he served until the end of federal control of railroads, at which time he resigned to return to the Chicago, Peoria & St. Louis as a special accountant. Shortly thereafter he was placed in charge of the general bookkeeping department, in which capacity he served until 1922, when he resigned to engage in business at Fairfield, Iowa. From 1924 to 1926, he was with the J. C. Penney Company at Marshalltown, Iowa, leaving this company at the end of this period to accept employment with the Chicago & Illinois Midland as assistant chief clerk in the accounting department. He served in various capacities in that department until his recent election as auditor of the company.

OPERATING

R. S. Harms, terminal supervisor for the New York, Chicago & St. Louis at Cleveland, Ohio, has been appointed terminal train master at Chicago, to succeed **C. Garrity**, who is retiring after 33 years' service with the Nickel Plate.

J. B. Reeve has been appointed acting assistant superintendent, Canadian National, with headquarters at London, Ont., succeeding **N. A. Walford**, who has been appointed acting superintendent terminals at Black Rock, N. Y., succeeding **H. C. White**.

John A. Schwab, division engineer of the Eastern division of the Pennsylvania, with headquarters at Pittsburgh, Pa., has been promoted to superintendent of the Logansport division at Logansport, Ind., where he succeeds **H. L. Nancarrow**, who has been transferred to the Buffalo division with headquarters at Buffalo, N. Y. Mr. Nancarrow succeeds **Elbert S. Reed**, who has been transferred in the same capacity to the Baltimore division at Baltimore, Md., to replace **Walter W. Patchell**, who has been assigned to the staff of the chief electrical engineer, with headquarters at Philadelphia, Pa.

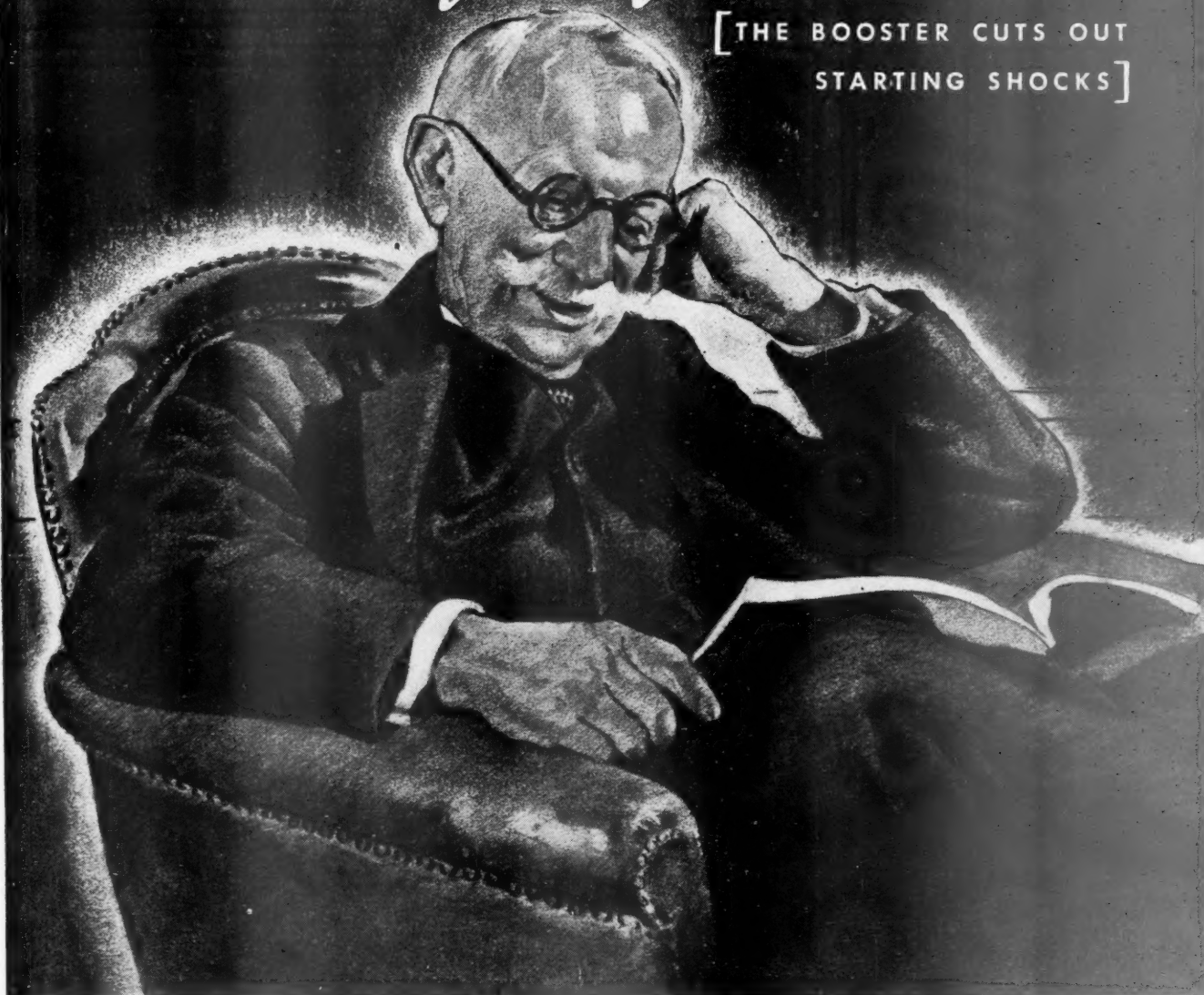
TRAFFIC

S. T. Gibbons, traveling agent for the Minneapolis & St. Louis, with headquarters at Peoria, Ill., has been appointed general agent, traffic department, with the same headquarters, succeeding **H. T. Boyd**, who has retired after 50 years' service.

J. V. Maloney has been appointed general freight agent of the Grand Trunk (Canadian National) with headquarters at Buffalo, N. Y. The position of assistant general freight agent at Buffalo has been abolished. **H. R. Fish** has been

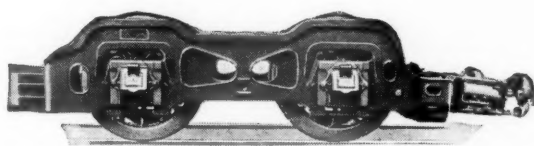
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FRANKLIN RAILWAY SUPPLY CO., INC.

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appointed general agent at Philadelphia, Pa.

James L. Lumsden, assistant general freight agent of the Illinois Central at Chicago, has been appointed general traffic agent in charge of mail, baggage, express and merchandise, with the same headquarters, effective January 10. He succeeds **Wayne A. Johnston**, whose promotion to assistant to the vice-president and general manager was noted in the *Railway Age* of January 1.

F. S. Ross, general freight agent of the Detroit & Toledo Shore Line, with headquarters at Detroit, Mich., has been appointed to the newly-created position of traffic manager with the same headquarters. **O. C. Conlee**, general agent at Detroit, has been appointed general freight agent, in charge of solicitation, and **A. C. White** has been made assistant general freight agent.

Frank A. Kennedy, traveling passenger agent for the Chicago, Milwaukee, St. Paul & Pacific, has been appointed travel promotion agent with headquarters at Chicago, succeeding **L. E. Baker**, who has resigned to open his own tour bureau. **G. L. Crosby**, traveling freight and passenger agent for the Milwaukee at Detroit, Mich., has been promoted to general agent at Atlanta, Ga., to succeed **J. H. Becker**.

Joseph G. Wheeler, who has been appointed general passenger agent of the Western Pacific, with headquarters at San Francisco, Cal., as reported in the *Railway Age* of January 8, was born at Aspen, Col., in 1896. Going to California in 1910, he entered railway service in 1917 and served as a ticket agent on the Southern Pacific at various points in California until 1926. In that year he entered the employ of the Western Pacific, becoming



Joseph G. Wheeler

city ticket agent at San Francisco shortly thereafter. In 1934, he was promoted to general agent, passenger department, at San Francisco, where he was located at the time of his recent appointment as general passenger agent.

Sidney F. Baker, whose promotion to general freight agent of the St. Louis Southwestern, with headquarters at Tyler, Tex., was noted in the *Railway Age* of

January 8, was born at Columbus, Miss., on April 5, 1877, and has served continuously for almost 40 years with various railroads. He began in the general freight



Sidney F. Baker

department of the Texas & Pacific at Dallas, Tex., in September, 1896, but resigned on August 11, 1899, to become chief rate clerk for the El Paso & Northeastern (now a part of the Southern Pacific System) at Alamogordo, N. M. He returned to the Texas & Pacific freight department in October, 1899, and advanced through various positions to a rate clerkship. After six months service as a revising clerk in the auditor's office of the same road, Mr. Baker resigned on December 9, 1901, to accept a position as rate clerk in the general freight department of the Missouri-Kansas-Texas at Dallas. He was promoted to traveling freight agent for the latter line in June, 1903; became commercial agent at Waco, Tex., on January 17, 1905; and was transferred to Dallas in October, 1906. He resigned in August, 1909, to go with the Texarkana & Fort Smith (now part of the Kansas City Southern) as chief rate clerk in the general freight department at Texarkana. He left this company to enter the service of the St. Louis-Southwestern on August 1, 1910, as chief clerk in the general freight department, subsequently advancing to general agent in the freight department in March, 1920, and to assistant general freight agent in September, 1923. He was holding this position at the time of his recent promotion to general freight agent, which became effective on January 1.

MECHANICAL

Effective January 10, the duties of **W. R. Sugg**, superintendent of fuel conservation for the Missouri Pacific, were extended to cover the lubrication of locomotives.

T. C. Baldwin, master mechanic for the New York, Chicago & St. Louis, with headquarters at Conneaut, Ohio, has been promoted to superintendent of motive power, with headquarters at Cleveland, Ohio, succeeding **J. J. Maginn**, whose death on November 13 was reported in the *Railway Age* of November 20. **T. C. Shortt**, assistant to superintendent of mo-

tive power, has been appointed master mechanic of the Nickel Plate district, succeeding Mr. Baldwin. **A. J. Krueger** has been appointed superintendent of the car department to succeed **W. M. Wheatley**, who has been assigned to other duties.

H. L. Bonstein, chief draftsman in the office of the mechanical engineer of the Lehigh Valley, with headquarters at Bethlehem, Pa., has been promoted to mechanical engineer, with the same headquarters, succeeding **W. I. Cantley**, whose appointment as mechanical engineer, Mechanical Division, Association of American Railroads, was reported in the *Railway Age* of January 8, page 130.

ENGINEERING AND SIGNALING

H. T. Hazen, regional chief engineer of the Atlantic region of the Canadian National, with headquarters at Moncton, N. B., retired on December 31, 1933, as reported in the *Railway Age* of January 15. Mr. Hazen was born at Truro, N. S.,



H. T. Hazen

on March 14, 1870, and began his railway career in 1889. He was appointed engineer, maintenance of way, Canadian National, in 1917, with headquarters at Toronto, Ont. In 1920 he was appointed acting chief engineer, and in 1922, chief engineer, C. N. R., with headquarters at Toronto. Upon the amalgamation of the national system in 1923 Mr. Hazen was appointed assistant chief engineer of the Central region, with headquarters at Toronto and in 1924 was transferred to Montreal as assistant chief engineer of the system. He was appointed regional chief engineer, Atlantic region, on October 1, 1932, the position he held until his retirement.

Frank T. McClure, road foreman of engines on the Panhandle division of the Western lines of the Atchison, Topeka & Santa Fe, with headquarters at Wellington, Kan., has been promoted to supervisor of air brakes, with headquarters at Amarillo, Tex. He succeeds **F. C. Smith**, who is retiring on pension after 32 years' service with the Santa Fe.

E. F. Palmer, district car foreman for the Chicago, Milwaukee & St. Paul, with headquarters at Green Bay, Wis., has been appointed general car foreman with head-

NO. 50 OF A SERIES OF FAMOUS ARCHES OF THE WORLD



OUSE VALLEY VIADUCT

ENGLAND

The Ouse Valley Viaduct on the Southern Railway of England is located on the London and Brighton main line, between Balcombe and Haywards Heath. Built in 1841 of brick construction with masonry topping, it consists of 37 semi-circular arches, each of 30 feet span. Its height is 96 feet above ground and 119 feet from foundations. It has a total length of 1,475 feet. Eleven million bricks and 40,000 cubic feet of masonry were

used in its construction. * * * *The Security Sectional Arch was the first practical firebox arch for locomotive service. While the fundamental design is unchanged, it has been continuously developed with the progress in locomotive design and is today an essential factor in the operation of modern steam motive power.*

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quarters at Milwaukee, Wis., succeeding **M. L. Hynes**, who has been promoted to general car department supervisor, with the same headquarters, to succeed **M. J. Lacourt**, who is retiring at his own request after 40 years' service with the Milwaukee.

Warren D. Gochenour, master mechanic of the Northern Pacific at Glendive, Mont., has been appointed shop superintendent at Livingston, Mont., to succeed **Thomas Jackson**, who has retired after 42 years continuous service with this company. **Frank J. Regan**, road foreman of engines at Minneapolis, Minn., has been appointed to succeed Mr. Gochenour as master mechanic of the Yellowstone division, with headquarters at Glendive.

P. P. Barthelemy, whose appointment as master car builder of the Great Northern, with headquarters at St. Paul, Minn., was reported in the *Railway Age* of January 1, has been in railroad service for over 36 years, all with the Great Northern.



P. P. Barthelemy

After attending the University of Minnesota, Mr. Barthelemy entered the service of the Great Northern as a mechanic in the shops at St. Cloud, Minn. He advanced successively through the positions of air brake foreman and assistant car foreman, later becoming car foreman at the Hillyard shops (Spokane, Wash.). From 1915 to 1917 he was engaged in car valuation work, then being appointed, successively, assistant general car foreman, general car foreman, and assistant master car builder. He was holding the latter position at St. Paul at the time of his recent appointment as master car builder. Mr. Barthelemy is active in railway association work, having served as president of the Northwest Car Men's Association, and is now director and member of the Lubrication committee of the Car Department Officers' Association.

SPECIAL

W. G. Fetzner, assistant chief special agent of the Chicago, Burlington & Quincy, with headquarters at Chicago, has been promoted to chief special agent, with the same headquarters, to succeed **T. E. Pratt**, whose retirement on January 15

was reported in the *Railway Age* of January 15.

OBITUARY

John E. Murphy, who retired in 1935 as treasurer of the Chicago & Western Indiana, with headquarters at Chicago, died on January 15 at his home at that point, at the age of 74 years.

Frank J. Nevins, until recently valuation engineer of the Chicago, Rock Island & Pacific, whose death on January 10 was reported in the *Railway Age* of January 15, retired on December 1, 1937, after 23 years' service with the Rock Island. Born at Denison, Tex., 68 years ago, Mr. Nevins was educated at Texas A. and M. College. He entered railroading as a clerk in the operating department of the Missouri Pacific at Osawatomie, Kan., in 1898, later being transferred to the chief engineer's office at St. Louis. He came to the Rock Island in 1914 as chief clerk in the valuation department at Chicago, and was promoted to valuation engineer a few years later. Mr. Nevins was the author of "From Grant to Gorman," a history of the Rock Island lines, which he prepared in connection with the seventieth anniversary of that company in 1922.

E. M. Devereux, treasurer of the Baltimore & Ohio, died at Union Memorial Hospital, Baltimore, Md., on January 15, after suffering a heart attack in New York on Thursday. Mr. Devereux was 65 years old. He entered the service of the Baltimore & Ohio as a clerk in the treasurer's office on May 25, 1899, at New York, where he became assistant treasurer in March, 1903. He was promoted to treasurer, with headquarters at Baltimore, on July 1, 1916, the position he held until his death.

John T. Cochrane, trustee of the Alabama, Tennessee & Northern and president of the Mississippian, who died at his home at Mobile, Ala., on January 12 at the age of 64, as reported in the *Railway Age* of January 15, was born in Tuscaloosa, Ala., on June 24, 1873. Mr. Cochrane studied at the University of Alabama and began his railway career in the employ of the Tuscaloosa Belt Railway in 1893. He built the Alabama, Tennessee & Northern, the Tombigbee Valley and the Mobile Terminal & Railway Company, these three roads being consolidated in 1912 under the name of the Alabama, Tennessee & Northern, with Mr. Cochrane as president. In 1923 he financed and built the Mississippian and the Alabama & Northwestern. He was appointed operating trustee for the A. T. & N. in December, 1934.

A. G. Sandman, retired assistant to chief of motive power & equipment of the Baltimore & Ohio, died in Baltimore, Md., on January 9, as reported in the *Railway Age* of January 15. Before being pensioned on May 1, 1932, Mr. Sandman had been in active service of the Baltimore & Ohio for more than 52 years, during nearly all of which he was stationed at the Mount Clare shops in Balti-

more. He was born on October 19, 1862, in Germany, and was educated in the public schools of Baltimore county, Md., and Maryland Institute, Baltimore. Mr. Sandman entered the service of the Baltimore & Ohio as a machinist apprentice on October 7, 1879, becoming a machinist in 1883. Five years later he became a draftsman, being promoted to chief draftsman in 1901. For eight years, from July 16, 1918, to November 1, 1926, he was mechanical engineer. He was appointed assistant to chief of motive power and equipment on the latter date, which position he held until his retirement in 1932.

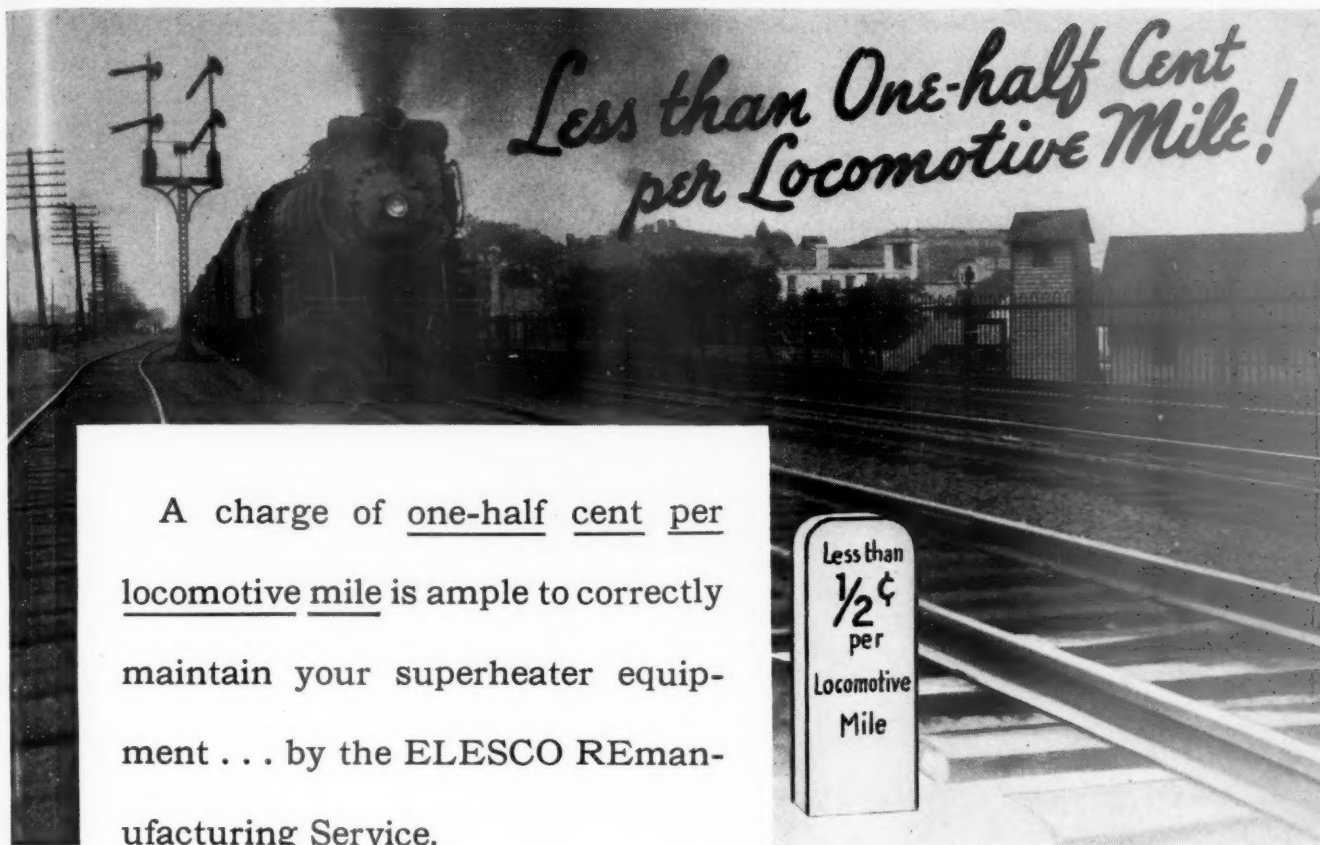
Fred W. Sweney, comptroller of the Northern Pacific, with headquarters at St. Paul, Minn., died on January 18 in the Northern Pacific hospital at St. Paul, after an illness of several weeks' duration. Mr. Sweney was born on September 10, 1873, at Humboldt, Neb., and was educated at Doane college, Crete, Neb. He entered railroad service in 1896 in the office of the auditor of freight and ticket accounts of the lines of the Chicago, Burlington & Quincy in Missouri, and continued to work with freight statistics, freight and passenger station accounts, freight interline accounts and freight revising until 1903. For three years beginning with the latter year he was in other business, returning to railroad service in 1906 with the Kansas City Southern, with which company he was in charge of the interline and revising departments in the office of the freight and passenger accountant. In the following year he entered the service of the Interstate Commerce Commission at Washington, D. C., being appointed examiner in charge of the Chicago branch office in 1910, and chief examiner of accounts at Washington, in 1913. While holding the latter position, Mr. Sweney was in charge of the revision of accounting classifications for steam railroads, electric railways, express companies and carriers by water. In 1918 he returned to railroad service as comptroller of the Northern Pacific, holding this position until his death.

* * *



Courtesy of Official Information Bureau of Switzerland
Car on the Le Chatelard-Usine to Barberine Reservoir Cable Railway, Switzerland

Table of Operating Revenues and Expenses
begins on next left-hand page

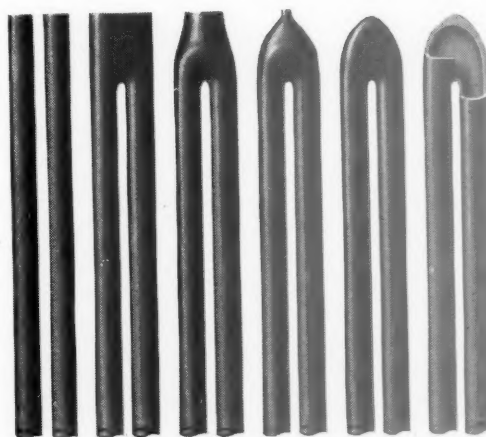


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Operating Revenues and Operating Expenses of Class I Steam Railways

Compiled from 137 Monthly Reports of Revenues and Expenses Representing 141 Class I Steam Railways
FOR THE MONTH OF NOVEMBER, 1937 AND 1936

Item	United States		Eastern District		Southern District		Western District	
	1937	1936	1937	1936	1937	1936	1937	1936
Miles of road operated at close of month.....	235,104	235,857	58,090	58,412	44,766	44,820	132,248	132,625
Revenues:								
Freight	\$258,668,572	\$298,086,307	\$102,656,960	\$124,544,130	\$51,972,536	\$60,826,383	\$104,039,076	\$112,715,794
Passenger	33,317,859	32,081,871	18,895,767	18,555,021	4,296,978	4,079,486	10,125,114	9,447,364
Mail	8,132,367	8,066,113	3,116,599	3,058,991	1,451,117	1,442,667	3,564,651	3,564,455
Express	4,030,480	5,355,522	1,537,513	2,468,968	778,547	931,298	1,714,420	1,955,256
All other transportation...	6,932,201	7,463,687	3,514,514	3,854,067	763,136	862,768	2,654,551	2,746,852
Incidental	6,484,035	6,588,805	3,517,817	3,604,760	899,439	865,800	2,066,779	2,118,245
Joint facility—Cr.....	848,645	1,005,485	250,411	296,764	132,603	188,512	465,631	520,209
Joint facility—Dr.....	233,782	242,226	58,628	52,706	23,378	22,555	151,776	166,965
Railway operating revenues	318,180,377	358,405,564	133,430,953	156,329,995	60,270,978	69,174,359	124,478,446	132,901,210
Expenses:								
Maintenance of way and structures	36,519,126	35,859,734	14,431,208	14,314,837	6,864,042	6,717,350	15,223,876	14,827,547
Maintenance of equipment	65,312,767	66,485,699	29,047,196	30,957,559	12,432,085	12,468,692	23,833,486	23,059,448
Traffic	8,761,658	8,402,585	3,116,062	3,116,976	1,679,422	1,657,802	3,966,174	3,627,807
Transportation	124,587,737	121,770,077	55,204,407	54,994,561	20,624,704	19,855,753	48,758,626	46,919,763
Miscellaneous operations...	3,282,064	3,022,751	1,538,123	1,452,068	347,178	320,239	1,396,763	1,250,444
General	11,259,797	13,090,146	4,365,414	5,741,111	2,125,976	2,248,493	4,768,407	5,100,542
Transportation for investment—Cr.....	427,802	456,769	70,312	124,611	70,389	88,083	287,101	244,075
Railway operating expenses	249,295,347	248,174,223	107,632,098	110,452,501	44,003,018	43,180,246	97,660,231	94,541,476
Net revenue from railway operations	68,885,030	110,231,341	25,798,855	45,877,494	16,267,960	25,994,113	26,818,215	38,359,734
Railway tax accruals.....	*26,103,281	*26,512,470	11,039,569	11,418,379	4,990,909	5,872,233	10,072,803	9,221,858
Railway operating income	42,781,749	83,718,871	14,759,286	34,459,115	11,277,051	20,121,880	16,745,412	29,137,876
Equipment rents—Dr. balance	7,278,547	7,951,399	2,737,167	3,552,863	135,185	78,033	4,406,195	4,320,503
Joint facility rent—Dr. balance	3,062,282	3,390,950	1,662,141	1,872,999	339,191	390,013	1,060,950	1,127,938
Net railway operating income	32,440,920	72,376,522	10,359,978	29,033,253	10,802,675	19,653,834	11,278,267	23,689,435
Ratio of expenses to revenues (per cent).....	78.35	69.24	80.66	70.65	73.01	62.42	78.46	71.14
Depreciation included in operating expenses	16,570,102	16,036,480	7,257,998	6,963,317	3,188,989	3,191,204	6,123,115	5,881,959
Total maintenance before depreciation	85,261,791	86,308,953	36,220,406	38,309,079	16,107,138	15,994,838	32,934,247	32,005,036
Net railway operating income before depreciation....	49,011,022	88,413,002	17,617,976	35,996,570	13,991,664	22,845,038	17,401,382	29,571,394

FOR ELEVEN MONTHS ENDED WITH NOVEMBER, 1937 AND 1936

Item	United States		Eastern District		Southern District		Western District	
	1937	1936	1937	1936	1937	1936	1937	1936
Average number of miles operated	235,476	236,277	58,208	58,500	44,783	44,908	132,485	132,869
Revenues:								
Freight	\$3,146,579,740	\$3,008,012,547	\$1,319,895,595	\$1,274,350,274	\$606,162,577	\$591,628,373	\$1,220,521,568	\$1,142,033,900
Passenger	402,876,236	373,104,795	221,807,352	210,729,238	55,219,652	49,531,151	125,849,232	112,844,406
Mail	87,579,984	85,087,686	33,506,783	32,688,731	15,332,156	15,056,521	38,741,045	37,342,434
Express	52,950,730	53,990,228	21,824,907	22,300,052	10,783,398	10,879,595	20,342,425	20,810,581
All other transportation...	82,497,591	78,494,976	42,112,502	40,787,533	8,832,704	8,112,043	31,552,385	29,595,400
Incidental	85,350,794	72,693,061	43,281,902	38,206,688	11,211,576	9,773,122	30,857,316	24,713,251
Joint facility—Cr.....	10,866,328	10,290,837	3,321,959	3,144,220	2,060,225	2,205,583	5,484,144	4,941,034
Joint facility—Dr.....	2,952,623	2,612,080	616,703	574,715	252,600	239,724	2,084,320	1,797,641
Railway operating revenues	3,865,747,780	3,679,062,050	1,685,134,297	1,621,632,021	709,349,688	686,946,664	1,471,263,795	1,370,483,365
Expenses:								
Maintenance of way and structures	462,173,631	420,600,595	181,721,056	162,407,804	79,649,574	74,734,861	200,803,001	183,457,930
Maintenance of equipment	765,921,491	713,489,733	346,220,468	323,874,494	138,686,918	131,559,613	281,014,105	258,055,626
Traffic	96,348,834	91,237,919	35,497,929	33,932,487	18,072,952	17,667,853	42,777,953	39,637,579
Transportation	1,384,556,061	1,276,005,441	621,003,348	581,072,328	224,841,189	209,249,202	538,711,524	485,683,911
Miscellaneous operations...	37,755,584	32,520,193	16,795,713	14,770,873	4,506,083	3,792,557	16,453,788	13,956,763
General	133,999,957	143,750,150	55,679,756	63,133,276	24,440,171	24,490,902	53,880,030	56,125,972
Transportation for investment—Cr.....	5,045,327	4,713,167	882,922	652,015	698,111	764,936	3,464,294	3,296,216
Railway operating expenses	2,875,710,231	2,672,890,864	1,256,035,348	1,178,539,247	489,498,776	460,730,052	1,130,176,107	1,033,621,565
Net revenue from railway operations	990,037,549	1,006,171,186	429,098,949	443,092,774	219,850,912	226,216,612	341,087,688	336,861,800
Railway tax accruals.....	†305,602,252	†286,765,079	135,515,008	122,590,436	65,008,287	59,021,924	105,078,957	105,152,719
Railway operating income	684,435,297	719,406,107	293,583,941	320,502,338	154,842,625	167,194,688	236,008,731	231,709,081
Equipment rents—Dr. balance	87,615,890	86,617,378	36,153,513	39,054,192	3,363,268	3,133,319	48,099,109	44,429,867
Joint facility rent—Dr. balance	33,608,464	36,120,100	18,655,990	19,755,002	3,579,527	4,348,163	11,372,947	12,016,935
Net railway operating income	563,210,943	596,668,629	238,774,438	261,693,144	147,899,830	159,713,206	176,536,675	175,262,279
Ratio of expenses to revenues (per cent).....	74.39	72.65	74.54	72.68	69.01	67.07	76.82	75.42
Depreciation included in operating expenses	180,192,066	177,393,857	79,841,681	77,395,390	34,490,071	35,044,922	65,860,314	64,953,545
Total maintenance before depreciation	1,047,903,056	956,696,471	448,099,843	408,886,908	183,846,421	171,249,552	415,956,792	376,560,011
Net railway operating income before depreciation....	743,403,009	774,062,486	318,616,119	339,088,534	182,389,901	194,758,128	242,396,989	240,215,824

* Includes charges of \$3,281,312 under the requirements of the Social Security Act of 1935; also includes charges and credits resulting in a net charge of \$3,260,482, because of provisions of the "Carriers Taxing Act of 1937," approved June 29, 1937, and repeal of the Act of August 29, 1935, levying an excise tax upon carriers and an income tax upon their employees, and for other purposes (Public No. 400, 74th Congress). The charges and credits were not handled in a uniform manner by all the carriers and separate totals are not available.

† Includes charges in the total amount of \$5,730,561 itemized as follows: \$1,512,398 for taxes under the requirements of the Social Security Act of 1935, and \$4,218,163 under the requirements of an Act approved August 29, 1935, levying an excise tax upon carriers and an income tax upon their employees, and for other purposes (Public No. 400, 74th Congress).

‡ Includes charges of \$36,386,013 under the requirements of the Social Security Act of 1935; also includes charges and credits resulting in a net charge of \$23,282,718, because of provisions of the "Carriers Taxing Act of 1937," approved June 29, 1937, and repeal of the Act of August 29, 1935, levying an excise tax upon carriers and an income tax upon their employees, and for other purposes (Public No. 400, 74th Congress). The charges and credits were not handled in a uniform manner by all the carriers and separate totals are not available.

§ Includes charges in the total amount of \$51,264,818 itemized as follows: \$16,189,363 for taxes under the requirements of the Social Security Act of 1935, and \$35,075,455 under the requirements of an Act approved August 29, 1935, levying an excise tax upon carriers and an income tax upon their employees, and for other purposes (Public No. 400, 74th Congress).

Compiled by the Bureau of Statistics, Interstate Commerce Commission. Subject to revision.